

WORTH
The essence of feminine elegance
De Revenans

News Summary

GENERAL

Malta deal not in sight

Mr. Harrington, who flew back from Malta yesterday in his view "the basis of agreement is not in sight".

He was "much concerned about the differences between the two Governments on all terms for a new defence pact, thus revealing the gravity of the dispute, J. D. F. Jones.

Question now is whether the two Governments will agree to discuss the terms even at the cost of economic and political embarrassment to Malta. Lord Harrington underlined the point yesterday when he said the Maltese were "not indisposed to Britain. Back Page

Swiss express ash: 22 dead

At least 22 people were killed and 60 injured—nearly 30 seriously—when the Swissair jet crashed on the runway at Zurich airport yesterday.

Train 'overloaded'

Wagons on a derailed hal-train hit by an express at Tonbridge, Surrey, on July 4 were loaded with 71 tons—far beyond the 40-ton limit.

Mania ban on soviet troops

Mania is understood to have Russia Soviet troops will not be allowed to cross its territory. Bulgaria for Warsaw Pact forces next month, writes Michael Simmons. The Russians otherwise have to go by sea.

London Hotel fire

Smoke out last night on the sixth and seventh floors of the 700-room Mount Royal Hotel, one of London's largest. Firemen turned ladders to rescue guests, but it was not known whether anyone was injured. Those rescued were injured.

Cholera alert

10,000 people have been vaccinated against cholera in the Spanish Sahara since seven suspected cases were reported in two small border areas in the region.

Bayonets

The British troops and the South Vietnamese rebels are reported to be fighting in the jungle. They try to do battle, they're slipping all over our tracks, groaned Patrick, who said the Director told him that the British TV's £100,000 historical spectacular, "The Bayonets".

Accidental death verdicts

Recorded by the Dorset coroner, three Press photographers died when their Navy helicopter crashed in the sea during a TO exercise off Portland Bill. It was argued that photographers should be given survival training.

Landlord ordered British

Landlord ordered British mounted cars in a deal worth £1.5m, President Amin told a group of British businessmen in an exclusive interview on his country's relations with Tanzania. Page 9

Former Congo Ambassador Paul

Paul, 56, is Britain's new Ambassador in Beirut.

Angry: British Lions beat

Angry: British Lions beat poverty Bay-East Coast 18-12 to top their unbeaten record against New Zealand provincial sides.

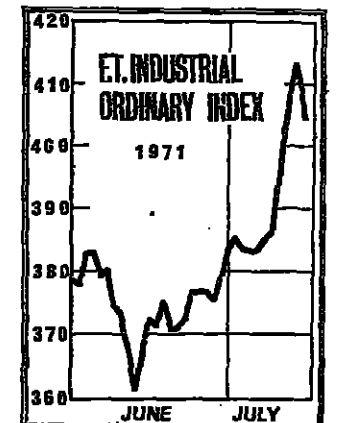
Resher sharks were sighted

Resher sharks were sighted twice off the Kent-Sussex coast. A 10 ft. shark was seen on July 17, but when it was attacked by a man he bit with teeth. It would have to swallow it to get the money, was sent to a detention centre at Leigh, Lancs.

BUSINESS

Equities in late rally: off 4.5

LONDON EQUITIES rallied in late trading, with the index closing 4.5 down at 404.4 after touching 401.3. Gifts were erratic, with mediums and longs finally showing gains of up to 2.



£ ROSE 2 1/2 to £2.41 1/2.

GOLD ended 30c higher at \$412.35.

WALL STREET'S index was off 2.26 at \$90.04 shortly before the close.

Bundesbank hint on Mark

BUNDESBANK president Dr. Karl Klagen said Germany's Common Market partners were no longer insisting the D-Mark return to its old parity after its float. The bank was also ready to sell a further DM10,000m worth of dollars. His remarks caused hectic foreign exchange activity, and dealers expect the Mark to float higher before a definite revaluation. Yesterday's selling was at DM3.470, equivalent to a 5.6 per cent. revaluation. Page 7

WEST GERMAN plans backed

by the Government for Siemens and AEG Telefunken to set up a joint subsidiary to build large computers have fallen through. An AEG statement said alternative plans were being prepared and sources claimed the company was involved in talks with Nixdorf. Page 20

RATE OF WAGE INCREASES

has slowed down this year despite present pay levels being over 13 per cent. higher than a year ago. But the unions are not expected to respond for several months to the CBI's prices policy. Page 6

U.S. PAYMENTS DEFICIT

reached record proportions in the second quarter, according to a World Financial Markets report out to-day. Page 5

£5 Paris tour plans

SKYWAYS, with Paris Travel Service, is planning £5 three-day (two-night) holidays in Paris this winter. Page 17

NEW DISCOUNT MARKET

RULES include the requirement that the companies involved should keep at least 50 per cent. of their funds in public sector debt. Back Page

FINANCE HOUSES are unlikely

to repeat in HP terms the low deposits of the late 1960s, following the mini-Budget. Page 6

FIRST NATIONAL FINANCE

CORP. is to acquire Spey Finance, set up by Spey Investments only four months ago, in an £8.5m. cash and shares deal. Back Page

WORK TRAILER interim goes

up to 20 per cent. (15 per cent.) with half-year pre-tax profit up to £40,000 (£301,000).

Wilson acts to damp down Party row

BY JOHN BOURNE, LOBBY EDITOR

MR. HAROLD WILSON yesterday tried to quieten the Common Market storm which has threatened to engulf the Labour Party partly because of the speeches he himself made on Saturday and Tuesday. At the same time he sought to prove that the last Labour Government would not have accepted the terms on New Zealand negotiated by Mr. Geoffrey Rippon.

Labour MPs believed last night that he has probably taken the heat out of the party row—at least for the time being—but that he failed to attain his second objective.

The Labour Leader told the Commons at the opening of the four-day debate on the Government's EEC White Paper that in 1967 the Labour Cabinet decided that a transitional period for New Zealand would not be enough, "unless it was for a generation."

"The facts"

Lord George-Brown had repeated these conditions in the capitals of Europe, said Mr. Wilson. In Luxembourg, indeed, the Labour Foreign Secretary had mentioned the possibility of a transitional period of more than 20 years. "These are the

facts. This is what a Labour Government asked for."

Mr. Wilson was trying to end the argument in the Labour Party about the Labour Cabinet's precise position on the Common Market. A fortnight ago Lord George-Brown said that the terms negotiated by Mr. Rippon were not significantly different from those which Harold Wilson and I thought we could achieve when we came back from our trip

Zealand. This did not mean that the Government would have insisted on a 20-year transitional period. "When a trade union asks for a 20 per cent. rise, it does not necessarily expect to get one, and it may settle for 8 per cent.," said one Labour pro-Marketeer.

Earlier yesterday, Lord Chalfont, Labour Minister in charge of Common Market affairs in 1967-68, made his contribution to the argument. Like his successor Mr. George Thomson, and Mr. Michael Stewart, former Labour Foreign Secretary, he said he would have been happy to recommend Mr. Rippon's entry terms to a Labour Cabinet. "I would have been surprised if they had not accepted them."

Sir Roderick Barclay took a complimentary line about the written terms in a letter to The Times yesterday. Sir Roderick, who was a member of the delegation which negotiated with the Six in 1961-63, wrote that later as an Ambassador to Belgium he had been fully informed of the preliminary talks with the Governments of the Six which preceded and followed the Wilson-Brown tour of the European capitals.

"There was no reason to suppose in 1967 that negotiations

then would have produced terms better than those which have now been produced. On the contrary, in some respects—for example, over New Zealand—the present terms are more favourable than we had any grounds to expect."

But the rest of Mr. Wilson's 60-minute speech—although unacceptable to the pro-Marketeers—was highly serious and reasonable in tone. After his previous speeches, both of which were vehemently anti-Market and also hostile towards individual pro-Marketeers in the Labour Party, the contrast of his performance yesterday was enormous.

Mr. Wilson deliberately went out of his way to offend as few pro-Marketeers as possible. The one exception is probably Lord George-Brown, but he counts for less than he used to in the party. Mr. Roy Jenkins was observed to murmur approvingly to his Leader at the end of his speech, and there is little doubt among Labour MPs that had Mr. Wilson adopted a similar judicious, temperate tone at the Labour conference last Saturday the troubles which have reared the Labour Party since then might not have occurred.

The Prime Minister, in opening yesterday's debate, also made an essentially low-key speech. He certainly did not

Continued on Back Page

BPC: Hardie resists a call for his resignation

BY KENNETH GOODING

ANGRY shareholders at yesterday's annual meeting of the British Printing Corporation called for the resignation of Sir Charles Hardie, the £12,000-a-year part-time chairman.

Sir Charles retorted: "I have no intention of running away from this problem and to resign would mean I was running away. I will not do that."

There was also shareholder opposition to the re-election of Mr. Michael Pickard as a director of BPC. Mr. Pickard was the director of the group at the time when BPC linked with Mr. Robert Maxwell's Pergamon Press to set up International Learning Systems Corporation, the encyclopaedia concern.

Both Sir Charles and Mr. Pickard defended themselves against criticisms contained in last week's report on ILSC by Department of Trade and Industry inspectors.

Sir Charles recalled that BPC has instituted legal proceedings to have the report set aside and maintained that the BPC directors "are quite unable to accept the accuracy of certain of the passages in the report. And they were given no fair opportunity to meet the criticisms made in the report."

Mr. Pickard replied to various points raised by the DTI investigation and commented: "The whole report appears heavily influenced by the benefit of hindsight."

However, both Sir Charles and Mr. Pickard admitted BPC "a serious error of judgement" in going into partnership with Pergamon in ILSC. Sir Charles added: "Commercial decisions have to be made on the facts available at the time. At the time your Board made its decision, Pergamon was seriously regarded by a large section of investment analysts, stockbrokers, financial journalists and merchant bankers as a company of repute, as is evidenced by the

support given to its various ventures at that time in other offers."

The question of Mr. Pickard's re-election came towards the end of a 2½-hour meeting and the outcome of a poll vote depended on



Mr. Michael Pickard

the attitude of the institutions who account for nearly 40 per cent. of the 28.8m. issued shares in BPC.

The BPC institutional committee—formed from members of the National Association of Pension Funds, the British Insurance Association's protection committee, and the Association of Investment Trusts—which has been in constant touch with the BPC Board during the past year, had recommended members to abstain when Mr. Pickard's re-election came to the vote.

It was clear from the result of the poll—with fewer than 2m. votes cast—that the institutions followed this line and so withheld any judgment on the points raised by the DTI report. Mr. Pickard was re-elected by 1,423,975 votes to 418,360.

Still more are unemployed

BY PETER CARTWRIGHT

TO-DAY'S national unemployment figure for July is expected to show a marked increase. Advance warning of them—and of the Treasury's forecast of a further deterioration in the trend in subsequent months—was a key factor behind the Chancellor's mini-Budget on Monday.

The West Midlands figures—published separately yesterday—show that after a brief two-month period of improvement, unemployment is again on the increase, particularly among men.

Although the period just before the annual holidays is not normally a time for notifying new jobs, every district except Wolverhampton—with only five more jobs available—shows fewer vacancies, with a significantly bigger number of people chasing each vacant job.

There are many more redundancies in the pipeline. In June, 21 companies notified 1,050, and in the East Midlands area of Nottingham and Derby, 14 companies notified 900 redundancies. Percentage rates of unemployment:

ment in the West Midlands, including those temporarily laid off, at the July count, were: Birmingham 4.2 (3.3 in June); Coventry 6.3 (5.3); Wolverhampton 4.6 (3.6); Walsall 3.8 (3.7); N. Staffs 3.3 (2.6).

After discounting increases in those temporarily laid off, the comparisons in wholly unemployed with last month are: Birmingham 22,000 (20,265); Coventry 8,477 (7,751); Wolverhampton 4,813 (4,463); N. Staffs 5,811 (5,180); Walsall 3,341 (3,067).

Truman: Watney persists in buying

BY KENNETH GOODING

WATNEY MANN was yesterday still refusing to accept defeat in the battle for brewers Truman Hambury Buxton, whose Board is now holding the rival offer from Grand Metropolitan Hotels.

For Watney's brokers Cazenove and Co. were in the market yesterday snapping up the few Truman shares on offer. Watney director Mr. A. Seaward said last night: "We bought a few shares to take our holding in Truman to just above 25 per cent."

The group was also buying Truman shares on Tuesday—the day when the Truman Board put its weight behind the Grand Met. and turned down a possible higher offer from Watney. Some 71,100 Truman shares were bought at an average of 413p.

Also on Tuesday Grand Met. added to its holding by purchasing 102,200 Truman at 414.54p each on average.

The Watney directors spent most of yesterday with financial advisers Guinness Mahon. They broke off talks at the end of normal office hours and will return to them this morning.

A spokesman at Guinness Mahon stated: "We are still considering the options open to us."

Meanwhile, the Watney shares were the centre of plenty of activity again yesterday, suggesting that they were under pressure once more. After ranging between 415p and 418p, the shares closed at 416p, down 1p on the day.

Grand Metropolitan shares also slipped slightly yesterday, by 1p to 182p, while those of Truman last night remained unchanged at 416p, compared with the value of 411p put on them by the Grand Metropolitan terms.

ON OTHER PAGES

EXHIBITIONS & CONFERENCES
To-day's issue contains two pages (24 and 25) on Conferences and Exhibitions, also one page (22) on Cow Green Reservoir.
Advertising & Marketing 14 & 15
Appointments 21
Arts and Entertainment 3
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Wall St. and Overseas Markets 26

THE £ ABROAD

	Time July 21	Cross Previous
New York Spot	\$2.4182-4185	\$2.4182-4185
Do. 1 month	61.40-11.41	61.40-11.41
Do. 3 months	61.40-11.41	61.40-11.41
Do. 6 months	61.40-11.41	61.40-11.41
Do. 12 months	61.40-11.41	61.40-11.41

FORRESTER REJOINS BOARD

Cunard will reject offer by Trafalgar

BY SANDY McLAHLAN

THE CUNARD Board will reject the £28m—200m a share—offer from Trafalgar House. There has still been no official statement on this effect, but Cunard made its position clear by inviting Mr. Donald Forrester to rejoin the Board. Mr. Forrester, who resigned from Cunard only last December on "policy differences," has been an outspoken critic of the Trafalgar offer.



Mr. Donald Forrester

While the Cunard Board is still not unanimous on accepting the logic of the Trafalgar offer it

The reinstatement of Mr. Forrester introduces a new element into a delicately poised situation. It is clear that Trafalgar House, which tried valiantly to achieve an agreed bid, will go ahead anyway with its offer. On the other hand, it is obvious that Mr. Forrester has decided its best policy for the moment is to maintain a deafening silence, and leave all running to Trafalgar. The form offer will not be posted until the week-end, leaving Cunard with time on its side.

However, Trafalgar and associates are still picking up shares in the market when the opportunity occurs. The Trafalgar camp already claims something like 33 or 34 per cent. of the equity, and it has been managing to buy shares at the rate of something short of 1 per cent. a day to strengthen its position. The issue boils down to a purely a question of price, the possibility that Trafalgar will go higher. It is believed that preparing its bid Trafalgar has chosen to work on the basis of the more conservative valuation of the Cunard fleet which obtained.

No alternative

But if Cunard decides to follow the whole way (which appears unlikely at least until Forrester's re-appointment to the Board) it is not likely to shake Trafalgar off completely unless it can find an alternative. The indications are that it has explored this possibility but has failed so far to come up with anything.

Certainly if Trafalgar is beaten in a straight fight it would not admit defeat. Yesterday Mr. Victor Matthews, the Trafalgar managing director, commented that in this eventuality Trafalgar would keep its shares and possibly request Board resignation. Trafalgar's tone in these situations is indicative of its decision previously to retain its holding in Savoy Hotel and Matters Page 16

£400m. trunk road network urged for South

The Government must step up its road building programme in the South of England and complete a new trunk road network linking all parts of the region by 1980, the British Road Federation states in a report published today.

The report calls for a £400m. trunk road network in the South of England, and says that "New roads are essential" for the ports of Bristol and Southampton.

NEW ZEALAND

The technology advances

Each successive year sees huge strides forward in the technology of work in New Zealand. The most modern plant and the latest techniques are being used to process coastal ironstone deposits for steel products. The site is at Glenbrook, near Waiuku, 40 miles south of Auckland.

Estimates put the future annual output potential at 200,000 tons of steel. Plans too for a pipe mill are well under way, and this should be in operation by late 1971.

And we keep a close eye on all the new developments; so we can help our customers up to date on New Zealand. So why not study a copy of the latest edition of our "Review of the Economic Situation in New Zealand" or our booklet "Investing in New Zealand"? They are yours for the asking.

Over 200 branches and Agencies throughout New Zealand.



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PRICE CHANGES

RISES	
Electronic ...	57 + 7
Domestic Prods.	690 + 40
Pharmaceuticals	61 + 13
Dean	85 + 6
Drakes	200 + 5
EMI	308 + 8
Guest Keen	17 + 4
Lloyds Bank	440 + 25
Midland Bank	80 + 7

UK DAILY STOCK INDICES

	July 21	July 20	Yr. Ago
Industrial Group	167.74	167.82	167.82
30 Shares	121.27	121.28	121.28
Div. Yield %	5.44	5.40	4.93
P/E Ratio	17.73	17.95	13.47
All Shares	177.2	178.9	178.7
Consolidated	13.3	9.32	9.25

ANNUAL STATEMENTS

	July 21	July 20	Yr. Ago
Govt. Secs.	74.57	74.53	69.50
First Interest	74.54	74.53	71.13
Industrial Grd.	60.48	60.48	56.20
Gold Mines	53.20	53.30	49.90
Ord. Div. Yield	2.82	2.77	5.90
Earnings Yield	5.28	5.22	4.85
P/E Ratio	17.81	17.72	14.83
Debt/Equity Ratio	14.22	15.99	7.28
Industrial Grd. (Contd.)	60.48	60.48	56.20
Far East Share Index	100	100	100

INTERIM STATEMENTS

	July 21	July 20	Yr. Ago
Bank Group	100	100	100
Grain Trust	100	100	100

Computing policy

Sir.—The Government's moves to establish a national computing policy, reported by David Smith on July 30 page 12, are issues wider than just the needs of one industry. Computing is endemic to every aspect of life—economic, industrial, social, defence. If we have any say in how our society develops, the need must be to have a strong industrial computing capability. It is evidence that our technical skill is substantial, and should therefore be able to more than this and to have the aim of our national computing policy the creation of a job industry with a large net surplus.

There are three points in the industrial cycle where the Government, both as a sponsor and as a buyer, can have a major effect.

1. The research and development phase. Investment is purely speculative and even if a profit is created, it still has a long way to go before it can be achieved commercially.

2. When a product is established, between where modest current funds can have an effect when a new product has been developed and is just entering the market. The commercial market, with risks and problems of its own, may be seen how the product produces for a year or two, thus giving foreign competitors the time to produce an alternative. This is precisely what Britain has repeatedly done, and where the Government could do most to help. The Government has the resources to make a technical assessment by placing firm orders very early in the development of a product, to give the private industry a chance to establish itself quickly and to force foreign competition.

Working on this phase of the industrial cycle presents problems to Whitehall. At present the Department of Trade and Industry concentrates on the D phase, and the Civil Service Department on the placing orders for established products. Procurement contracts fall between these two. This has been repeatedly demonstrated in the evidence to the Sub-Committee A, and is most damaging effects on young and vulnerable soft-industry which all the proposals forecast will take over leadership of the whole country.

putting industry within the decade.

A positive national computing policy which bridges this departmental gap could radically change our prospects and give the industry, both hardware and software, the opportunity to build a fair share of the world's computing systems. Without it, adding crutches to one firm such as ICL only serves to make it look lame when the real trouble lies elsewhere.

S. Gill,
185, New Cavendish Street, W.1.

Train track buckling

Sir.—I have followed with interest the letters published in your columns on the subject of rail buckling. This problem has haunted generations of railway engineers and yet, in theory at least, it would seem to be easily resolved.

Would it not be possible during the winter or when the rails are being renewed, to subject sections of the permanent way to a "rail warming" process?

This could be achieved by the application of a low flame or low electrical current thus expanding the rails to a calculated degree. The fishplate connections could then be made leaving the rails to contract according to the prevailing air temperature. The track would now be with expansion gaps which would take up the movement during excessively hot weather.

I realise that the workload by the implementing of such a programme could be demanding but better this than the tragedies we seem so often to read about.

A. Kemp,
36, Gaywood Avenue, Cheshunt.

Standards of seminars

Sir.—In previous correspondence (July 8, 14, 19) some well overruled criticism of the seminar round has been presented. There is, however, an important fact of this problem that is worth highlighting.

First, as has been suggested, one must separate the good from the bad, but then one must decide whether the aim is either, the acquisition of new skills or the stimulation of ideas in an already established professional area.

It is doubtful whether many one-two day seminars can be successful in the former case, as a build up of knowledge is necessary if speciality is to be avoided. This is the field where the sharks have made

their killings to the detriment of all.

The real pay off for the short seminar comes when an expert is accessible for a "brain picking" to the maximum extent and benefit of the delegates. Of course, this has two implications: (1) The subject matter must be precisely allied to both the delegate's problems and his industry; and (2) that the communique (and selling) of any relevant ideas is competently carried out by the delegate in his own company.

In normal circumstances, where 30 or so companies are represented by delegates of widely varying status, a short seminar is unlikely to provide an adequate solution.

A much more valuable benefit would be obtained by the company who confronts an expert by a group of managers with related responsibilities for a discussion on the company's own premises.

The subject matter would be orientated to the company's needs, ideas could be put through the mill of the assembled opinions, in the light of the specific problems of concern at that moment. Company security considerations prevent this kind of intimate discussion in more open forums.

For too long we have tended to take the mountain to Mahomet, merely because it is easier, to the detriment of management standards in general and the counselling profession in particular. It is time more company managements took this

Unit trust and National Savings bureaucracy

Sir.—I read the letter of your correspondent F. P. Thompson with interest and fellow-feeling. My brother recently died. His estate was a small one, and I decided, on behalf of my mother, to do the necessary paperwork myself, and to save her expense, not to take out letters of administration.

Among the assets were three unit trust holdings, worth something less than £200. For convenience these are to be transferred to my name.

As unit trust managements demanded a statutory declaration signed by mother, all demanded to see a copy of the certificate of death. One also wanted a letter from the Estate Duty Office stating that no estate duty was payable; although by looking at the statutory declaration it could be seen that the amount involved was small; that duty was obviously not payable. Another declared that as the amount of the estate exceeded what they apparently considered to be a sufficiently small amount, they

would require letters of administration. This was after they had agreed to effect the transfer on production of a statutory declaration. They had been told the total value of the estate before they asked for this instrument. When I wrote to them pointing out that the current value of the units was about £35 and that there had been a depreciation of 30 per cent, nominal and 50 per cent in real terms in their capital value since purchase, several years ago, and informing them that I proposed to take up the matter with various authorities and the Press, within three days I received a letter agreeing to effect the transfer. Previous correspondence had been answered at intervals of two or three weeks.

It seems to me that the administration of some unit trust organisations is top-heavy and grossly inefficient. I am aware that legal requirements necessitate a certain amount of documentation, but I think that

over 50 letters and pieces of paper, which appear likely to be the final total before the third transfer is completed, in respect of a small estate worth less than £200 is ridiculous.

I am having a similar difficulty with War Loan. Before effecting the transfer to my name the Bank of England advised me first to have it transferred to the National Savings Register. The current value is about £65. I agreed, after providing them with the usual paraphernalia of information and documents. There was a dead silence for a month. Having previously arranged for my solicitor to come and witness the various other declarations, my mother being unable to visit him, before transferring to me, the National Savings Bank is only through the latter, without a statutory declaration is beyond me.

W. F. Richardson,
34, Queen's Drive,
Fulwood, Preston.

enable it to exploit the undoubted appeal of the U.K. capital to overseas conference organisers. While London is currently still one of the prime venues in the international conference league, how long it can retain this position in an increasingly competitive environment must be open to serious doubt unless the standard of the facilities we offer can be improved. Research has already revealed a significant number of conference organisers who have regretfully abandoned plans to stage their events in London either because facilities are inadequate or better facilities are available elsewhere.

The publicity afforded the mammoth conference of the American Bar Association has, however, tended to obscure two important factors relating to the expanding conference business. These may be summarised as follows:

(a) The number of giant conferences of the American Bar Association type are in fact comparatively few even on the international circuit. The "bread and butter" size of the international conference is closer to 300-400 delegates and there are many which are smaller than this. While the large size conferences are highly lucrative, owners of facilities will need to seek the bulk of their business from a high number of smaller events. Facilities must be flexible enough to forestall the danger of constructing a "white elephant" used for only a few days in the year.

Conferences in London

Sir.—Arthur Sandles' article, "Conferences: the pressures rise" (July 15), has served to highlight again the inadequacies of London as a conference venue. There can be no doubt that in terms of the scale and quality of the conference facilities our capital is able to provide to increasingly sophisticated international conference organisers. London is in danger of becoming a poor relation of the international circuit. Other countries—one need look no further than Germany, Holland and Spain—equally aware of the lucrative benefits of the international conference trade have been constructing purpose-built centres with which facilities in London inevitably compare unfavourably.

London waits in vain for a conference centre which will

(b) Notwithstanding the international conference market is a lucrative source of foreign exchange for the country and of business for hoteliers, restaurateurs, shopkeepers and others. The purely domestic demand provides the bulk of the demand in the U.K. and will continue to do so however well we may do in the international market. Research recently undertaken by my company for Trust Houses Forte and the British Tourist Authority revealed that more than 5,000 conferences a year are held by U.K. associations and groups alone—and this excludes some 7,000 activities such as training courses, seminars and committee meetings which also make use of conference-type facilities in hotels and other establishments.

These vast numbers of conferences held by private companies. These place the few hundred international conferences held annually in this country in their proper perspective.

While it is of considerable importance to retain and to extend the fast growing and profitable international conference market, planners must not ignore the requirements of a much larger demand generated by domestic users. There is clearly evidence to show that this business is not invulnerable to the attractions of foreign locations.

Bryan Atkin,
Head of Travel Research Unit,
Industrial Market Research,
17, Buckingham Gate, S.W.1.

Advertising products

Sir.—Regarding the report in the Financial Times of July 19, Page 23, on the Duke of Edinburgh's comments in the magazine Industrial Management that cars are probably Britain's biggest single exporting advertising product, may I suggest that he has got the projection the wrong way round, that is, it is high-quality used-in-the-home British products that probably help to sell cars abroad rather than the reverse?

Companies such as ourselves who have exported, for example, to the U.S. for over 100 years and who have built up a quality reputation there and worldwide, have possibly influenced the buying of British cars abroad for the reason the Duke states, I am quite sure our exports have not been influenced by British car sales abroad.

I will go further and state that the impression I have obtained abroad of the lack of spares plus servicing facilities for British cars and their specifications, could be an

adverse influence on the ability to buy other British products. The length of time we have been exporting and the fact numerically we export more than the car and exports cars, indicates it is likely the quality reputation of companies such as ourselves using used-in-the-home product help to sell British cars.

Eric L. H. Cosby,
Chairman & Managing Director,
G. B. Kent & Sons,
24, Old Road Street, W.1.

Malta's demands

Sir.—Imagine that you are small island where you live a simple but happy state existence. Along comes a big hour and suggests that he will like to use your home in order to improve his defences against any possible attack from enemies. He is willing to pay you the sum of £15.40 annuities and, of course, realise that in the event of an enemy attacking him, you more than likely to suffer it yourself.

Are you going to consider £15.40 is sufficient to take risk, or are you going to bid for, say, £40.00 per annum? Of course, the whole question is ludicrous—you would not get £15.40 nor would you get £40.00, nor yet the £40.00 per head of population. It is all that Dom Mintoff, Minister of Malta, is saying (Mr. and Mrs. Mintoff) and it does not seem to me to be an unreasonable amount when the people of Malta are once again seen themselves up as a possible target and, remember, they have had experience of this in the past and what it means in terms of suffering and hardship.

You may well say that "it is no longer a realistic figure" but, in a military and air force base, but would not the chances of tourism be increased were all these tourists to be withdrawn? If Malta is no longer a fortified island, it is no longer a fortified island. £15.40 annually, requested by the British Government, is a tourist income without dangers attached to aligning with a military power?

Incidentally, I may add to this, the extreme familiarity with the Maltese situation the meagre and unbiased reports in the Financial Times, and various other newspapers in other papers it is difficult to believe that they are talking about the same situation.

George L. McNally,
Managing Director,
Exchange Travel (Holdings),
10, Eastcheap, E.C.3.

RT GALLERIES

19. BROWNE AND BELMONT, 19, St. W.1. Paintings, 10-12.30. Sat. 10-12.30. Sun. 10-12.30.

20. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

21. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

22. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

23. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

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28. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

29. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

30. GALLERIES, 7, Portico Place, 10-12.30. Sun. 10-12.30.

TV Radio

* Indicates programme in black and white.

BBC 1

11.25 a.m. First Test Match—England v India. 1.30 p.m. Watch With Mother. 1.45 News. 1.53 Hobbit: People and their hobbies. 2.00 News. 2.10 The Muppet Show. 2.20 Play School. 4.40 Jackanory. 4.55 Wacky Races. 5.15 Show Jumping from The Royal International Horse Show. 5.44 Abbott and Costello.

BBC 2

11.25 a.m. News. 1.30 News. 1.45 News. 1.53 Hobbit: People and their hobbies. 2.00 News. 2.10 The Muppet Show. 2.20 Play School. 4.40 Jackanory. 4.55 Wacky Races. 5.15 Show Jumping from The Royal International Horse Show. 5.44 Abbott and Costello.

ITV

11.25 a.m. News. 1.30 News. 1.45 News. 1.53 Hobbit: People and their hobbies. 2.00 News. 2.10 The Muppet Show. 2.20 Play School. 4.40 Jackanory. 4.55 Wacky Races. 5.15 Show Jumping from The Royal International Horse Show. 5.44 Abbott and Costello.

Racing

ASCOT

1.30 p.m. The Queen's Plate. 2.00 p.m. The Queen's Plate. 2.30 p.m. The Queen's Plate. 3.00 p.m. The Queen's Plate. 3.30 p.m. The Queen's Plate. 4.00 p.m. The Queen's Plate. 4.30 p.m. The Queen's Plate. 5.00 p.m. The Queen's Plate. 5.30 p.m. The Queen's Plate. 6.00 p.m. The Queen's Plate. 6.30 p.m. The Queen's Plate. 7.00 p.m. The Queen's Plate. 7.30 p.m. The Queen's Plate. 8.00 p.m. The Queen's Plate. 8.30 p.m. The Queen's Plate. 9.00 p.m. The Queen's Plate. 9.30 p.m. The Queen's Plate. 10.00 p.m. The Queen's Plate. 10.30 p.m. The Queen's Plate. 11.00 p.m. The Queen's Plate. 11.30 p.m. The Queen's Plate. 12.00 p.m. The Queen's Plate. 12.30 p.m. The Queen's Plate. 1.00 p.m. The Queen's Plate. 1.30 p.m. The Queen's Plate. 2.00 p.m. The Queen's Plate. 2.30 p.m. The Queen's Plate. 3.00 p.m. The Queen's Plate. 3.30 p.m. The Queen's Plate. 4.00 p.m. The Queen's Plate. 4.30 p.m. The Queen's Plate. 5.00 p.m. The Queen's Plate. 5.30 p.m. The Queen's Plate. 6.00 p.m. The Queen's Plate. 6.30 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12.

American News

U.S. opposes 200-mile limit call

By Our Own Correspondent

GENEVA, July 21.

THE U.S. Government today vigorously opposed demands made by South American countries for a territorial sea limit of 200 miles.

Benefits from ocean floor mineral exploitation should be shared by all countries on the basis of a limit of 12 miles starting from the edge of the continental shelf, America declared.

Brazil and other South American countries, notably Argentina, made the 200-mile demand to the United Nations Seabed Committee, which is attempting to draft articles for a treaty governing international exploitation of ocean resources.

Mr. John Stevenson, the U.S. delegate, said an international seabed regime should be applied "to the broadest practicable area. This should be an area outside a territorial sea of 12 miles seaward of the point where the high seas reach a depth of 200 metres," Mr. Stevenson said.

At the same time, he said, coastal States should receive "carefully defined but guaranteed rights and functions" beyond this limit.

Vote to repeal Formosa resolution

WASHINGTON, July 21.

THE SENATE Foreign Relations Committee voted today to repeal a resolution of Congressional backing for use of U.S. forces to protect Taiwan. The so-called Formosa Resolution was approved by Congress in 1955 at a time of intense pressure on the islands off the Chinese mainland, including Taiwan (also known as Formosa) and the Pescadores.

Repeal of the Resolution was proposed by Senator Frank Church, and Charles Mathias, and adopted by the Committee on a voice vote. The State Department took a neutral position on the question of repeal of the Resolution which gave no grant of actual power to the president, but served to back his hand in dealing with a crisis.

The repeal was introduced more than a year ago at the same time as the start of an effort which culminated in repeal of the Gulf of Tonkin resolution on Vietnam. The Committee Chairman, Senator J. William Fulbright told reporters the Committee action today was not directly related to President Nixon's planned visit to Peking, but conceded that the timing was not altogether a coincidence, either.

James Dawson & Son Ltd

MAKERS OF HIGH QUALITY TRANSMISSION BELTS FOR INDUSTRY AND AGRICULTURE

The Annual General Meeting was held on July 21st at Lincoln, and the following is an extract from the circulated statement of the Chairman, Mr. John Connolly, F.C.A.

The year to 31st March 1971 marked the completion of seventy five years trading, and I am pleased to be able to report another record year.

The trading profit before taxation was £370,618, an increase of 10.5%. The net profit, including investment income but after taxation, was £243,661, an increase of 21.7%.

The final dividend of 14.5% makes a total for the year of 20.5%, and the profit retained is £87,990 against £68,107 in 1969/70.

It is evident that our products are commanding increased respect throughout the world, demonstrated by 70% growth in exports over the past two years, and during the same two years about £150,000 has been expended on modern machinery to increase output and utilise most recent manufacturing techniques.

The state of the order book, falling short of the exceptionally high level at this time last year, reflects the slackening activity in both general and agricultural engineering in this country and to some extent in the agricultural field in other countries. Rising costs experienced during the year are likely to continue, but with improved plant and other economies we consider ourselves well placed to take full advantage of an economic recovery. The present downturn of industrial activity compels me to sound a cautious note for the current year, but in the longer term I am confident of the continued growth of your Company.

The report was adopted and the resolutions were passed to increase the authorised share capital by £250,000 and to capitalise reserves for a bonus issue of Preferred Ordinary shares in the proportion of one new share for every three shares of either class held. It is understood that the Preferred Ordinary shares will now qualify as Wider Range Investments under the Trustee Investments Act 1961.

BOOSEY & HAWKES LIMITED

Music Publishers, Musical Instrument Manufacturers and Distributors.

Extract from Report and Accounts 1970

	1970	1969
GROUP NET PROFIT AFTER TAXATION	484,557	388,003
DIVIDEND—Preference	20,109	21,438
—Ordinary	170,043	147,153
RETAINED	294,405	189,412

The considerable advance in trading profits on the previous year continues the trend of increased trading profits every year since 1961.

The final ordinary dividend has been increased to 18% making a total of 26% (1969 22.5%).

Despite difficulties created by rising costs, the music sales division has shown satisfactory results. In music publishing, royalty revenue continues to make a substantial contribution.

The musical instrument division achieved new records. In recognition of our efforts in the export field, the Company has been honoured with the Queen's Award for Industry for 1971.

There was an increase in the sale of Hammond organs during 1970 and the results are considered satisfactory.

Subject to unforeseen circumstances it is expected that profits and dividends will be maintained in 1971.

Thanks are expressed to employees throughout the group.

U.S. said to run record second quarter deficit

BY JUREK MARTIN

NEW YORK, July 21.

THE U.S. balance of payments deficit in the second quarter of this year reached record proportions, according to "world financial markets," the Morgan Guaranty publication that has the reputation of forecasting most accurately the U.S. payments picture.

The report, which is to be released to-morrow, estimates that the deficit, not seasonally adjusted, amounted to over \$700m. in the April-June period when measured on the official settlement basis (compared with \$5,400m. in the first quarter) and to \$6,500m. on the now-discarded liquidity basis (up from \$3,100m.). On the new "net liquidity" basis recently introduced by the Commerce Department, the deficit is reckoned to be about \$6,250m. (up from \$2,600m.). All figures exclude allocations of special drawing rights.

The deficit on the official settlement basis for the first half of this year—about \$12,400m.—already exceeds the \$10,700m. deficit for the whole of last year. Had it not been for the yellow of funds back to the U.S. in June after the latest currency crisis had eased, the situation would have been even worse, the report suggests. In April and May the official settlements deficit reached very close to \$9,000m., about \$1,500m. of this was recouped in June.

Nevertheless, the report, not wishing to be the harbinger of total despondency, does maintain that "considerable improvement" could occur on the official settlements deficit over the rest of this year. This optimism is largely based on the assumption that the outflow of short term, interest rate sensitive capital funds, which contributed so much to the deficit in April and May, which was so very broadly based, "may have run its course."

Behind this assumption lies

the report's expectation that interest rate differentials between the U.S. and Europe will continue to narrow, that U.S. banks will use the Eurodollar market less, and that U.S. companies will slow down their pace of direct investment overseas, largely because many of them have already used a large part of their allowable amounts for this year. Finally, it is expected that short-term funds will simply flow back to the U.S. if and when currency uncertainties are lessened.

On top of the outflow of short-term funds, the report also observes that the payments deficit was worsened by the continuing deterioration in the current account for goods and services and in the long-term capital account. In the first quarter of this year, these transactions together recorded a deficit of about \$1,400m. Export second quarter data is limited,

the report estimates that this could have widened by another \$1,000m. between April and June. In comparison, the average quarterly deficit last year amounted to less than \$800m.

Again, the Morgan study looks for some improvement in the second half of the year, but nevertheless concludes that the current and long-term capital accounts deficit could easily come to \$4,500,000, compared with last year's \$3,000m. Not surprisingly, the report concludes that the most striking development in this ledger is the worsening of the trade balance, a condition that has not, of course, escaped the attention of the U.S. Government. The Commerce Department has already announced that the trade surplus could decline by as much as \$2,000m. this year. If it does, it will hardly leave a surplus at all since last year's balance was just \$2,100m.

Telephone men stay out

BY JUREK MARTIN

NEW YORK, July 21.

THE TELEPHONE strike in the U.S. has not ended as cleanly as had been hoped. While the majority of the union employees of the Bell System returned to work this morning after being away from their jobs for a week, a few state unions, most notably that in New York, have defied the directive of the national leadership and are continuing the strike in protest against the provisional settlement on a new three-year labour contract reached on Monday.

In New York, about 50,000 employees of American Telephone and Telegraph, mostly in installers, maintenance men and linemen, have stayed out on strike. The principal grievance with the national settlement centre on the special \$9 a week cost of living bonus awarded to

New York City employees, which is resented by up-state workers, and on what are considered inadequate improvements in pension and health programmes. There have also been reports of continued strikes at one or two other Bell companies.

If a few of the local unions remain out on strike, their actions could have considerable effect on the national union voting on the new contract that must take place between now and August 14. If ratification of the new contract is not forthcoming, the ballot then the leaders of the Communications Workers of America will have no alternative but to order a nation-wide strike again.

Packard's future in doubt after testimony on Lockheed

BY GUY DE JONQUIERES

WASHINGTON, July 21.

A SOMBER shadow has been cast across the career of Mr. David Packard, the deputy Defence Secretary, provoking speculation that his future in the Nixon Administration may now be limited. This speculation has reached such a pitch that this morning the White House Press Secretary was prompted formally to deny that Mr. Packard had been asked to or was considering, offering his resignation.

Mr. Packard's position was put in doubt after he appeared before the House Banking Committee on Monday to testify on the proposal to grant \$250m. in Government loan guarantees to the Lockheed Aircraft Corporation.

In his prepared statement, submitted to the committee in advance, Mr. Packard had some sharply critical things to say about Lockheed's management, and the way in which it had handled Government defence contracts in the past.

He also made it clear that he

opposed broad legislation that would set a precedent for making Government assistance available to other companies. Such legislation is now before the Senate and has been introduced by Mr. John Connally, the Secretary of the Treasury, who has been acting as the Government's chief mediator and spokesman in the Lockheed dispute.

While Mr. Packard endorsed the principle of the loan guarantee for Lockheed, he did so without any signs of great enthusiasm and several of his remarks appeared to be distinctly at odds with the position that Mr. Connally has been taking.

Apparently in an attempt to avoid a clash, Mr. Packard asked for the controversial sections of his statement to be struck out before he appeared on Capitol Hill. But the committee chairman, Mr. Wright Patman, refused to allow this and insisted on reading them out himself.

Apparently anticipating that the row might lead to Mr. Packard's departure, no less than five

Senators have made speeches praising him for his efficiency at his job and his candour with Congress. They said they hoped that the incident would not cause him to be forced out.

Mr. Packard is a multi-millionaire who gave up his job at the head of the Hewlett-Packard Machine Tool Company to join the Nixon Administration three years ago. He is known to be a loyal Republican and also contributed substantially to Mr. Nixon's campaign in 1968.

He has also earned a good deal of respect in his job at the Pentagon, where he has brought his business experience to bear in reforming the defence contracting procedures established by former Defence Secretary Mr. Robert McNamara. There seems little doubt that if he were to resign, the Administration would be hard put to find a replacement who combined his qualities as a staunch Republican supporter and a capable administrator.

Bahamas raise tax on oil, cigarettes and gambling

BY OUR OWN CORRESPONDENT

NASSAU, July 21.

THE BAHAMAS Government has introduced substantial increases in taxes on petroleum products. There are also bills before the legislature proposing increases in the taxes on cigarettes and casino operations.

The tax on gasoline has jumped from 15 to 20 cents per U.S. gallon while diesel oil is being taxed at the rate of 8.9 cents per gallon as opposed to the former 6.9 cents. Cigarettes, formerly taxed at the rate of 14 cents per 100, will under proposed legislation be taxed at the rate of 25 cents per 100.

Under existing laws each of the three gambling casinos in the Bahamas are required to pay an annual "basic tax" of \$500,000.

Gross winnings are taxed on a percentage basis with the first \$5m. being tax free. The first, second and third millions in annual winnings over \$5m. are taxed at a rate of 10 per cent. The fourth and fifth million are taxed at a rate of 10 per cent. mark being subject to a 20 per cent. tax.

The new law, which if passed will become effective at the start of 1972, retains the \$500,000 annual basic tax. But the first \$5m. in gross winnings will no longer be tax free. A tax of 17 per cent. will be levied on all winnings up to \$17m. going up to 20 per cent. for winnings over the \$17m. mark.

Canadian trade surplus declines

BY OUR OWN CORRESPONDENT

OTTAWA, July 21.

CANADA'S merchandise trade surplus dropped 16.6 per cent. in June from the same month last year to \$2,020m. with exports up 6.3 per cent. and imports up 10.4 per cent. But the trade balance for the first half of this year at \$1,197m. stayed within 3.9 per cent. of the figure a year ago.

Record imports in June totalled \$1,437m., up 10.4 per cent. Imports were up 10.4 per cent. in the U.S. and the Common Market countries but down from Commonwealth and preferential countries. Cumulative imports for the first half of this year reached \$7,535m., up 4.3 per cent. from last year.

The Canada Petroleum Association has told the National Energy Board that Canada has 7,600,000m. cubic feet of gas to spare for export. Present reserves of natural gas in Canada were placed at 61,000,000m. cubic feet. These estimates do not include gas reserves in the Canadian Arctic or off the East Coast. The Board is holding hearings to determine whether Canada has sufficient gas reserves to permit the approval of applications to export 2,700,000m. cubic feet to the U.S.

Meanwhile, Air Canada faces a second rotating strike of mechanics and ground crew this afternoon. The first such strike came last week-end in Toronto, and dozens of domestic flights were cancelled. Negotiations are going on between the company and union officials with the assistance of three federal mediators, but no break was reported so far.

Kennedy wants to go to China

By Our Own Correspondent

OTTAWA, July 21.

FIVE U.S. Senators, including Edward Kennedy, and Foreign Relations Committee chairman William Fulbright, have applied for visas to visit China at the Chinese Embassy here. The embassy is accepting applications from U.S. as well as Canadian citizens.

The applications have been forwarded to Peking. The embassy declines to say how many applications for visas have been received altogether and how many were granted since it opened here earlier this year.

Uruguay's problems in LAFTA

BY OUR MONTEVIDEO CORRESPONDENT

For nearly two years now the Latin American Free Trade Association (LAFTA), which comprises the republics of South America, except Guyana and Mexico, has been dying on its feet. The members have been unable to agree on the tariff cuts that they were committed to introduce under the Treaty of Montevideo which established LAFTA.

WHEN the members meet in the Montevideo headquarters of LAFTA in October, it will take great effort for all concerned to ensure that the Association does not move further toward break-up.

A key issue will be the future attitude of Uruguay. The Uruguayan Minister of Economy and Finance, Dr. Carlos Maria Fleitas, has in the past few months been threatening that his country will withdraw entirely from LAFTA if Uruguay does not get better terms from its partners. The disappearance of one member of the Association would be the most patent indication of LAFTA's failure and the other members who are anxious for it to continue will be doing their best to dissuade the Uruguayans from taking such a fateful step.

Deficit

But the trade statistics of the past few years provide powerful ammunition for those Uruguayans who want to sever their links with LAFTA and, at the same time, illustrate the difficulties which the less developed countries within LAFTA suffer at the hands of their bigger and more powerful colleagues.

Uruguay has run a deficit with the other members of LAFTA from the very beginning. In 1965, the best year from Uruguay's point of view, the country had a deficit with the rest of \$18.5m. In 1960, the worst year, the deficit came to \$50.6m. Last year, the second worst, Uruguay's exports to LAFTA came to \$29.1m. but imports came to no less than

\$74.5m., a gap of more than \$45m. Over the whole period of its membership, Uruguay has notched up an unfavourable balance of \$374m.

Dr. Fleitas's interpretation of results is that "We are liberal in our administrative procedures, in the concessions that we give and in our way of negotiating. Many of our neighbours are liberal in none of these three matters." LAFTA had according to him, become not an organisation for mutual advantage but a body in which everyone was trying to gain the maximum advantage.

If the Minister puts the blame on Uruguay's partners, there is no lack of criticism in Montevideo of the way the Uruguayan government itself has safeguarded, or failed to safeguard, the vital interests of the country within the Association.

A recent leader in the conservative Montevideo daily El Dia criticised the Government for having opened the doors wide to foreign exporters without ensuring that Uruguay obtained similar advantages, and for having been unwilling to apply the same controls on imports from LAFTA as it has applied on imports from other parts of the world.

This would have been bearable had Uruguay been able to place its own exports in other LAFTA countries and occupied some of industry's excess capacity. This, it is claimed by LAFTA's critics, has not happened.

It appears that the preferences granted to LAFTA partners have effectively resulted in a switching of trade, but a switching that has not always been to the country's advantage.

Flat and rolled steel products, which used traditionally to come from Europe, are now being imported from Argentina and Brazil 10, 20 or even 30 per cent. more expensively. Quality standards have also suffered. At the same time Uruguayan customs have lost on average some \$7m. a year, an appreciable sum for a country of 3m. people.

The countries who have gained most from Uruguay's reduction of tariff barriers with LAFTA have been her two nearest and most powerful neighbours, Brazil and Argentina. Of last year's trade gap of \$48m. with LAFTA, no less than \$44.7m. was accounted for by Uruguay's trade with Brazil and Argentina, a very large figure if one remembers that Uruguay's combined imports and exports total no more than about \$400m. a year.

Buffer

The Buffer has also lashed out at the Government for having given Brazil duty-free entry for coffee, cocoa, timber, bananas, yerba mate, tobacco and other items without getting anything significant in return.

Uruguayan negotiators have defended themselves by saying that Uruguay's trading relations with Brazil, Argentina and the rest of LAFTA were not very different in the 1950s, before LAFTA was ever set up. In the 10 years before LAFTA, Uruguay's unfavourable balance with the countries which subsequently joined the association came to \$417m. as against the \$374m. in the period 1960-70.

As a result, the debate has broadened into a polemic about

Uruguay's overall economic strategy with the Government critics calling for much more aggressive policies, especially towards Argentina and Brazil. Government's critics claimed that coffee, banana, timber and yerba mate could be bought more cheaply if Uruguay started to shop round in Colombia, Ecuador and Paraguay. They also point out that countries far away as India can land raw materials cheaper in Montevideo than the Brazilians and that the quality of European or North American equipment is far better than of LAFTA-produced items.

In deciding future policy Uruguayan negotiators, like the smaller and poorer nations LAFTA, Ecuador, Paraguay, Bolivia, must face the fact that their power of negotiation leverage is limited. In the only sanction they can actively use is that of quit LAFTA entirely.

In Uruguay's case the situation is complicated by the fact she has traditionally been a buffer state between Brazil and Argentina, two of whom have competed for influence in Montevideo. If Uruguay is to do anything that displeases Brazil or Buenos Aires, much she would run the risk of losing a series of loans and of credit that her two neighbours have been prone on her to gain her favours. Uruguay's chronic position, availability of these credits, great importance to her.

Whatever the outcome of the attraction of leaving LAFTA, Uruguayan negotiators will have to make some hard thinking before a final decision.

House committee cuts off aid to Greece, Pakistan

BY GUY DE JONQUIERES

WASHINGTON, July 21.

THE HOUSE foreign affairs committee today formally approved a foreign aid Bill which would cut off military assistance requested by President Nixon for Pakistan and Greece.

The Administration has already protested strongly at the committee's decision and is expected to mount a substantial lobbying campaign to have the cuts restored to the Bill when it reaches the floor of the House.

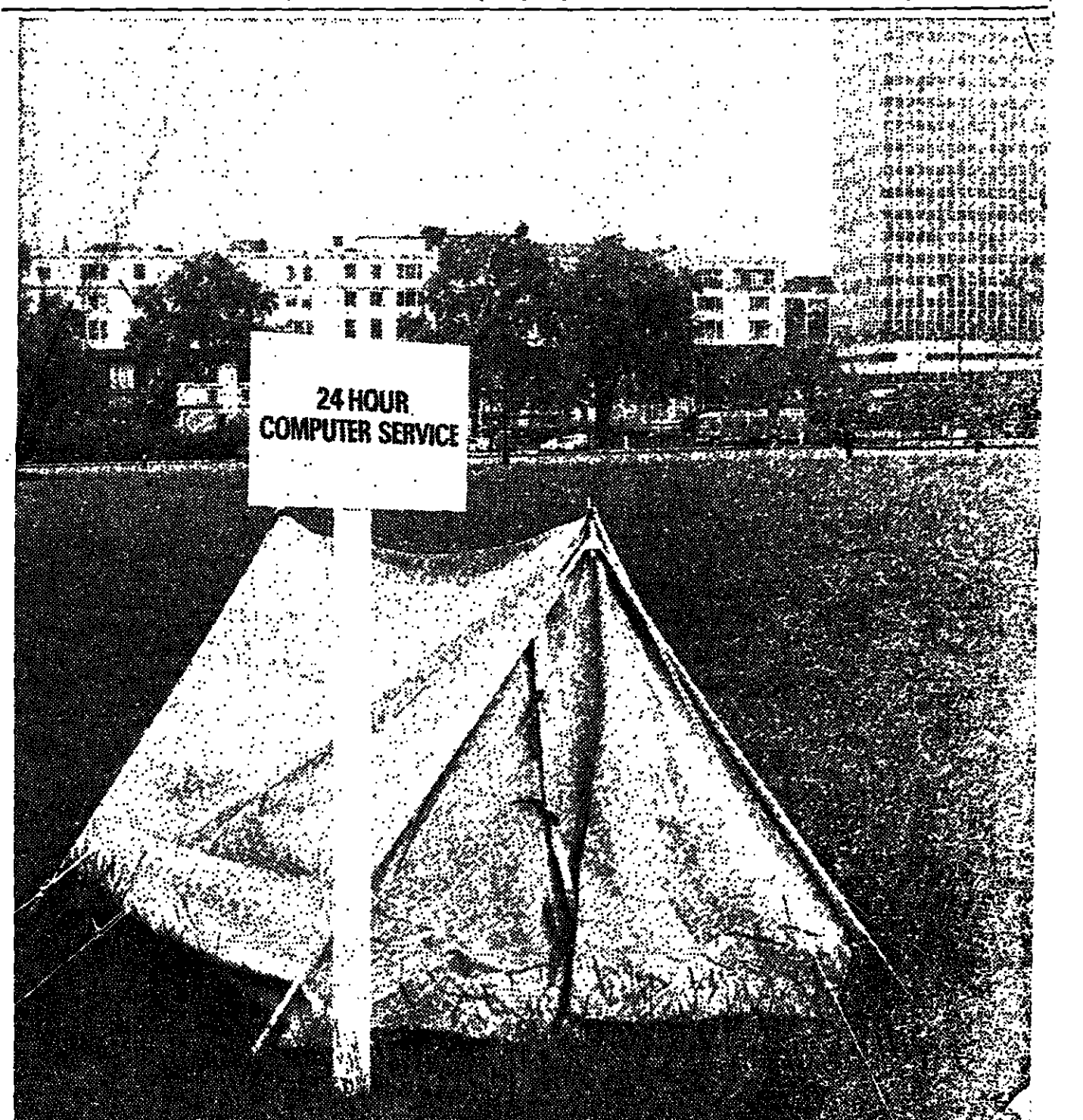
One clear sign of the seriousness with which the decision has been received is the announcement that Mr. Melvin Laird, the Secretary of Defence, and Mr. William Rogers, the Secretary of State, will personally appear before the Committee's subcommittee on Europe later this month.

The subcommittee is holding hearings on the military roles of Spain and Greece. Originally, officials of rather lower rank in the State and Defence Departments had been scheduled to appear.

The problem is doubly disconcerting for the Administration. In the first instance, an aid cut-off to Greece would be embarrassing, since Mr. Nixon decided to lift the selective embargo on heavy arms shipments there only a few months ago and considerable efforts have

been made to strengthen links between Athens and Washington.

Secondly, the House to affairs committee, unlike counterpart in the Senate, traditionally complied closely with Administration requests. There is obvious concern that the House may no longer be counted fall in with Presidential wishes as in the past.



24 HOUR COMPUTER SERVICE

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Export News

American finance for John Brown

By Andrew Hargrave, Scottish Correspondent

LE £3.75m. U.S. Export-Import Bank loan to John Brown (Engineering), of Clydebank, reported the later editions of yesterday's Financial Times, will enable the company to offer its facilities to its customers "on the same terms as before."

"We have felt that it will be better to finance the American client of turbines through U.S. banks," said Mr. Graham Achan, the managing director, "hinted that there had been no difficulty in obtaining the necessary cover from the Export-Import Bank."

The company's 30 per cent deposit scheme will apply to cars registered on or after January 1, 1970. The maximum repayment period is 36 months at 36 months. It means that a new Hillman Imp can be bought for only £136 down, while a Morris Marina 1.8 TC (four-door) would require an initial deposit of £235.

Japan heads queue for British cloth

AN was the biggest customer of British woolen and worsted in the first five months of the year. According to the annual Wool Textile Corporation woolens sold to AN increased by almost 200 square yards to 1.77m. square yards and worsted by 200 square yards to 1.77m. square yards.

Woolen exports of AN by the textile industry fell by the same period by 200 square yards to 1.77m. square yards and worsted by 200 square yards to 1.77m. square yards.

Full cash on shipment aid for exporters

Williams and Glyn's Bank has added a quasi-factoring operation to extend its range of export services. The bank is offering a cash on shipment plan by the exporter will get full cash on shipment value of order when the goods are shipped, rather than waiting for payment from the importer.

The bank undertakes responsibility for the financial aspects of sale and takes out its own insurance cover. The scheme is intended

U.K. lands £10m Iranian power station order

BY DAVID CURRY, EXPORTS EDITOR

ENGLISH ELECTRIC-AEI Turbine Generators, a member of GEC Power Engineering, is to supply a complete 145 MW thermal power station worth nearly £10m. to the Iran Power Generation and Transmission Company (Tavanir). The contract is supported by British long-term credit backed by the Export Credits Guarantee Department.

Located near Ahwaz in the centre of the Iranian oilfield, the new station will meet current demands for power, consuming natural gas and mazout oil as primary fuels which are available from nearby production wells. The station design allows for future expansion to meet increasing industrial requirements for electricity in the area. It will take three years to build.

Ancillary

Electrical equipment to be supplied by GEC Group companies includes the generator transformer and unit transformers, together with 6.3 kV distribution boards for the auxiliaries in the power station and low-voltage switchgear and multi-motor control centres. Control and protective relays are also included for control of the switchgear and generator.

The cables include all the major and auxiliary connections for power, control and communications, ranging from 125V dc to the HV interconnections while the main generator connections will be of the phase-isolated air-cooled busbar type.

Ancillary plant covering, main steam pipework, water treatment plant and boiler feed pumps, cooling water system, including forced draught cooling towers, will be supplied by other British companies. The civil engineering design will be carried out by Bristol consultants, Parsons Brown and the civil works will be constructed by Mahab Company of Tehran.

A loan covering the major portion of the contract is being made available to the Iran Organisation of the Imperial Government of Iran by Lazard Brothers and Co. acting on be-

\$12.7m. plan for U.S. expansion

RECKITT and COLMAN has announced a \$12.7m. expansion plan for its American subsidiary The R.T. French Company. The company is to close and sell its factory at Rochester, New York upon the completion of a new plant at Springfield, Missouri.

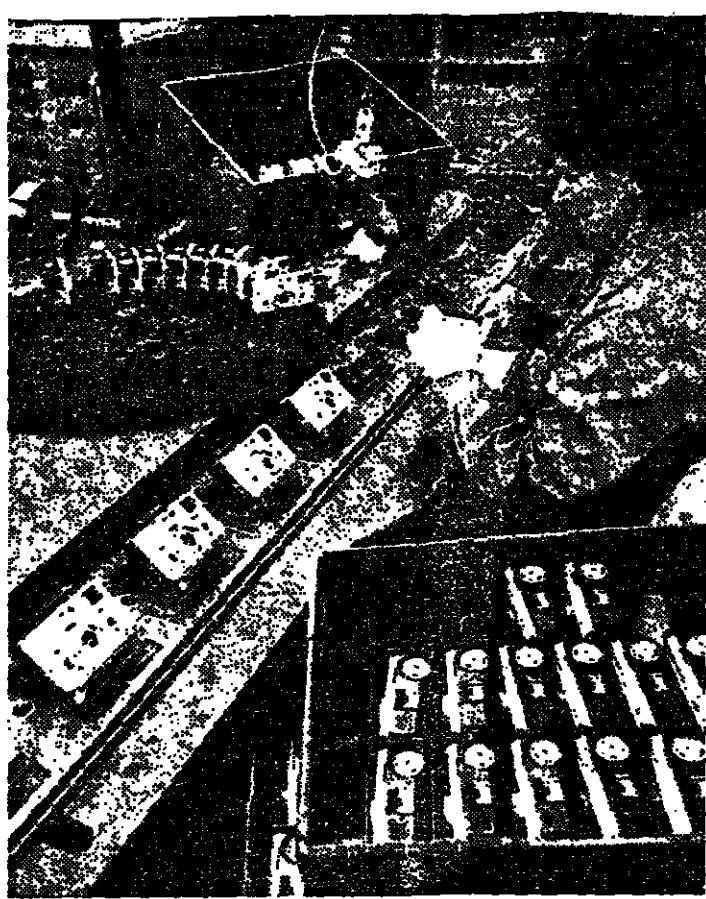
The move reflects the company's growing sales in the Middle West and Springfield gives easy access to major centres like St. Louis, Kansas City, and Dallas and will allow savings in freight and distribution costs.

Construction of the new plant will start in the New Year and should be finished before the end of 1973. The factory will produce mustard, green and sauce mixes, herbs, extracts and industrial food ingredients for other food processors.

The administrative and research centre of the company will remain at Rochester.

Machine tools

BRITAIN'S first machine tool exhibition in Russia opens today in Sokolniki Park, Moscow, where 43 U.K. machine tool and associated equipment manufacturers are showing products valued at over £1m. The exhibition has been organised by the Machine Tool Trades Association with Department of Trade and Industry support.



Instamatic cameras receiving the final once-over before leaving the Kodak factory in Stevenage. Designed for novices, 10m. have been produced and earned some £10m. in overseas sales.

The Kodak way to instant success

BY DAVID CURRY

THIS WEEK the 10 millionth Instamatic still camera will come off the production line at the Kodak factory in Stevenage. In the eight years it has been in production the Instamatic has earned almost £10m. in overseas sales.

The Instamatic was the first "idiot-proof" camera, designed for the amateur who wanted no greater labour than to point the camera in the right direction and press the catch. Before the Instamatic was introduced the Brownie 127 filled this role to some extent.

Cartridge

The basic novelty in the camera lies in the film cartridge with which it is loaded. The camera will only accept the cartridge if it is put in correctly. At the upper end of the price scale the Instamatic range incorporates automatic devices adjusting the camera to the conditions in which it is being used.

Recent refinements have been the design of models to take the four-in-one flashcubes and the introduction of a flash without batteries using Magibubbles.

World-wide the American Eastman Kodak group has made some 50m. Instamatic cameras. The success of the cameras made by the British offshoot earned it a special accolade from Mr. Michael Noble, Minister for Trade, who sent a message to

the company congratulating it on its foreign earnings.

The biggest market is EFTA followed by the rest of Europe. Kodak also sells its cameras in Japan. Prices of Instamatic cameras in the popular range start at £2.80 and go up to the £25 mark.

Hovercraft sales start to take off

THE Southampton Hovermarine Transport has sold a £120,000 HMB2 Sidewall Hovercraft to the Ministry of Public Works in Belgium for hydrographic work on the River Scheldt.

This is the third Hovermarine success since its marketing operation got under way in May, and follows sales of two passenger versions of the Sidewall Hovercraft to Portugal.

The company said that it expected orders for two craft from Scandinavia. It commented that the hovercraft was beginning to score in overseas markets because of its lower capital and running costs and easier maintenance than conventional amphibians.

Uniformity unlikely in car HP terms

BY DAVID WALKER

LITTLE uniformity in the level of hire-purchase terms following the ending of Government controls in the mini-Budget seemed likely last night.

United Dominions Trust (Commercial), Britain's biggest instalment finance group, revealed that it was to insist on a minimum deposit of 25 per cent on cars of up to three years old, with a 36-month repayment period, as its standard terms for motor hire-purchase.

Previously, the minimum down-payment was 40 per cent, with a repayment period of two years.

The UDT move is thought to be in line with the general thinking of members of the Finance Houses Association following the ending of terms control. It must lessen the likelihood of a return to the extremely low hire-purchase deposits of the late 1960s, when some companies asked for only 10 per cent down and had some bad experiences as a result. At the same time, it follows

the surprise decision of Western Finance Houses Association to allow a 20 per cent deposit in deals involving new or nearly new cars.

Lombard also stated yesterday that it would offer credit on less than a 25 per cent deposit, with each customer "treated separately."

Western Credit, in which Hambros Bank and Phoenix Assurance each have considerable share interests, none the less stressed yesterday that finance houses "must avoid getting into a state of euphoria over their new freedom."

"It was largely a lack of responsibility on the part of finance houses that caused the rash of bad debts in the late '60s," it commented. The company's 30 per cent deposit scheme will apply to cars registered on or after January 1, 1970. The maximum repayment period is 36 months. It means that a new Hillman Imp can be bought for only £136 down, while a Morris Marina 1.8 TC (four-door) would

require an initial deposit of £235. Two- and three-year-old cars need a 25 per cent deposit with a 36-month repayment period, while vehicles of between three and five years' age can be purchased over 30 months with a 30 per cent deposit.

Prime mover

On cars of between three and five years' old, UDT is setting similar conditions to Western Credit. Its terms are in line with the easier personal loan terms announced by most members of the Finance Houses' Association a month ago, and in which UDT is believed to have been a prime mover.

"We feel that business must be handled on a sensible and realistic basis in the interests of all concerned, not least the credit customer," Mr. John Gallacher, managing director of UDT (Commercial), commented last night.

"We welcome a competitive climate at long last, but intend to maintain very high standards in the acceptance of business."

3 months' advance for most TVs

BY ARTHUR SANDLES

IT BEGAN to be clear last night that three months' rent in advance would be the norm for television rental in future. The means a deposit of around £20 for a colour set and about £7 for monochrome equipment.

Companies are also exploring the possibility of reintroducing sliding scale agreements—the older the set the lower the rentals. At the moment rents are fairly even for the first three or four years of use.

Drastic change

Mr. John Goodwin, of the National Television Rental Association, said last night that the changes in Mr. Barber's mini-budget, "have produced a pretty

drastic change in trading conditions. Most companies will still want a down-payment although there might be one or two who won't. We think there will be a rush for sets."

Thoro, which has at least half the TV rental business in Britain, is introducing a 13-week deposit scheme.

The British Radio Equipment Manufacturers Association has confirmed that colour television sets are flowing into retailers and rental companies in ever increasing numbers. Some 278,000 sets were delivered to the U.K. market in the first six months of this year compared with 191,000 in the first half of 1970.

Monochrome deliveries declined in the same period. First six-month totals for 1971 and 1970 were 666,000 and 738,000 respectively.

Radio disposals

Radio disposals for the half year were 323,000 compared with 342,000 in the first half of last year. Radiogram disposals remained steady.

The biggest selling period for both radio and television is the second half of the year. With imports sales the U.K. colour television market could well reach 800,000 this year. U.K. manufacturers would have some difficulty in producing more than 800,000.

Carr: Slower pay rises rate upholds Government strategy

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

ALTHOUGH wage rates are still running at over 13 per cent above the levels of a year ago, the rate of increase has slowed down in the last six months. This is the basis of a claim by Mr. Robert Carr, Secretary of Trade and Industry, yesterday that the Government's pay strategy has "not been as unsuccessful as many people believe."

There is every indication, however, that Whitehall is resigned to the prospect of an interval of several months before the Confederation of British Industry's initiative on voluntary price restraint produces a concrete response from the unions in wage negotiations.

Yesterday the Department of Employment published statistics showing that basic weekly and hourly wage rates had risen by nearly 1 per cent between May and June, and that these rates were running respectively 13.2 per cent and 13.5 per cent above the levels of a year earlier.

Also published yesterday was the seasonally-adjusted index for average earnings in May, which showed a 1.9 per cent rise from April's level and was 12.2 per cent above May 1970. (The index, whose new base is January 1970 = 100, stands at 117.6).

The comparison cited by Mr. Carr is wage rates in the first six months of 1971 taken together. These were 4.9 per cent above the level of the second half of 1970, which in turn had been 8.1 per cent above the first half of 1970 (on a seasonally adjusted basis).

It is also understood that the Government is placing some faith in internal Whitehall statistics showing that the average size of wage settlements becoming effective in the second quarter of this year was 9.5 per cent, against 12 per cent in the first quarter and 12 per cent in the first quarter of 1970.

This has occurred against a background of rapidly rising unemployment and lower overtime,

trends which have weakened the hands of union negotiators but which Mr. Barber's latest reflationary package is designed to check.

Output prices up

One of the main worries in Whitehall is that so much of the Chancellor's strategy depending on a favourable response by the unions to the CBI's price initiative, for the next few months the cost-of-living index is still expected to show high annual rates of increase.

Figures published by the Department of Trade and Industry today show that output prices continued to rise strongly in June. The provisional index for the prices of home sales of manufac-

tured products averaged 2 per cent more in April-June than in the first quarter, and in June it was 8.1 per cent higher than a year ago.

The rapid rise in wholesale prices has not yet been fully reflected in retail prices, and on top of that the sensitive area of U.K. food prices over the next couple of months is likely to be affected by the continuing high levels of world food prices.

There is the further point that, however quickly the CBI's initiative can have an effect on price increases, there will be a considerable time-lag before this shows up in the key statistics in wage negotiations—the percentage increase in retail prices over the preceding 12 months.

U.K. ECONOMIC INDICATORS

	Unit	1971			1970		
		June	May	Apr.	June	May	Apr.
General Unemployment	%	7.25	7.55	7.74	5.47	5.47	6.17
Unfilled vacancies	'000s	198	186	185	295	295	279
Bank advances	£m.	5,719	5,765	5,831	5,630	5,663	5,663
Gold reserves	£m.	1,508	1,488	1,425	1,163	1,153	1,153
Wage rates	Jan. '66=100	220.7	219.6	215.3	194.6	193.6	193.6

	Unit	1971			1970		
		May	Apr.	Mar.	May	Apr.	Mar.
Basic materials and fuel prices	1963=100	136.6	137.1	132.2	129.3	130.4	130.4
Retail prices	Jan. '62=100	153.2	152.2	149.0	139.5	139.1	139.1
Retail sales value	1966=100	133.6	131.3	127.5	121.5	118.3	118.3
H.P. Debt	£m.	1,397	1,382	1,361	1,394	1,287	1,287
Terms of trade	1961=100	108	108	108	101	101	101
Industrial output	1963=100	124.6	126.5	122.7	122.1	124.6	124.6

	Unit	1971			1970		
		June	May	Jan.	June	Jan.	June
Trade and Industry Imports f.o.b.	£m.	739	707	707	679	644	644
Exports f.o.b.	£m.	778	733	708	666	646	646
Visible trade balance	£m.	+39	+26	+1	-12	-4	-4

	Unit	1971			1970		
		May	Apr.	Mar.	May	Apr.	Mar.
Steel (wkly. av.)	'000 tons	427.3	490.5	485.3	515.2	541.4	541.4
TV sets	'000s	139	132	158	162	163	163
Radios, r/gms.	'000s	57	63	69	75	72	72

	Unit	1971			1970		
		May	Apr.	Mar.	May	Apr.	Mar.
Cars	'000s	158.2	128.2	145.4	137.8	142.3	142.3
Comm. vehicles	'000s	44.79	39.17	39.08	41.54	39.22	39.22
Man-made fibres	m. lbs.	116.6	112.4	115.1	113.8	110.7	110.7
Caring turnover	1964=100	150	146	146	140	123	123
Engin. and Elec. (orders on hand)	Dec. '63=100	115	117	119	119	119	119
Hosiery	1963=100	165	153	151	151	150	150

	Unit	1971			1970		
		Apr.	Mar.	Jan.	Apr.	Jan.	Apr.
Cement (weekly average)	'000 tons	355	333	311	322	286	286
Houses completed	'000s	267	31.9	27.2	27.1	26.8	26.8
Furniture	1963=100	124	135	138	121	114	114
Bricks	'000s	533	578	523	551	559	559
Raw wool	m. lbs.	12.2	12.1	12.4	14.6	14.3	14.3
Electric cookers	'000s	76.3	84.4	76.5	60.1	64.0	64.0
Washing machines	'000s	50.3	53.3	60.7	44.3	57.5	57.5
Petroleum	m. tons	7.62	8.94	8.47	8.48	8.27	8.27

	Unit	1971			1970		
		Mar.	Feb.	Jan.	Mar.	Jan.	Mar.
Raw cotton (weekly av.)	'000 tons	3.23	3.35	3.30	3.24	3.37	3.37
Made-up clothing (ord. on hand)	Dec. '62=100	165	160	164	152	146	146
Textiles (orders on hand)	Dec. '62=100	119	120	120	123	134	134

	Unit	1971			1970		
		1st qtr.	4th qtr.	1st qtr.	Year	Year	Year
Factory approvals	m. sq. ft.	18.3	20.4	22.6	88.4	102.9	102.9
Consumer spending	1963 values	5.835	5.908	5.720	53.32	52,629	52,629
Machine tools	£m.	55.0	50.0	50.5	198.7	171.9	171.9

	Unit	1971			1970		
		4th qtr.	3rd qtr.	Year	4th qtr.	Year	Year
Building and civil engineering	£m.	1,262	1,315	4,950	1,202	4,637	4,637
Plastics	'000 tons	375.3	396.7	1,463.1	384.7	1,328.0	1,328.0

NOTE—Foreign Trade figures are seasonally adjusted.

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Secretaries' wage rise 'only 25p in second quarter'

BY ELSBETH GANGUIN

WEEKLY WAGES for secretaries and short-hand-typists rose by only 25p during the second quarter of the year compared with 75p in the first three months, according to the latest salary survey by the Alfred Marks Bureau, published yesterday.

All the same, "particularly acute" shortages are reported, and, "notwithstanding mounting general unemployment, it is doubtful whether any qualified shorthand-typist is in short supply almost anywhere in the country."

During the quarter, audio-typists in the lower age brackets managed to net 50p a week more, while older audio-staff did not gain any increase. The Bureau claims that while there is a continuing shortage of experienced audio-typists for temporary work, there is no significant rise in demand for permanent audio staff.

Younger typists pushed their wages up by 75p (against the 25p they got in the preceding quarter), and older typists received 50p more, as did the younger receptionists. Here again, the older women fared worse—they had no increase at all during the first

three months of the year, and only 25p this time.

Machine operators are said to be in great demand and to opt for new office machines. Wages went up by 75p for the younger, and by 50p for the older operators. Female clerks also got 50p more than in the preceding quarter. According to the survey, Central London secretaries and short-hand-typists aged 21 and over now earn between £21 and £25.25 a week. Audio-typists in the same age group earn from £19 to £22.25; typists get £17.25 to £20.25; receptionists and telephone operators £17.25 to £20; machine operators £18.75 to £22.50; female clerks £17 to £21.75; and male clerks £19.75 to £22.25.

Provincial wages are still much lower. "For older secretaries and short-hand-typists, differentials between Central London and local salaries vary from £4.50 in Manchester, where girls earned £18.75 (the highest-paid area outside London), to £6.75 in the broad band of towns and cities at the foot of the league."

The survey takes a special look at the abilities and attitudes

found in some leading secretaries, earning from £13.25 a year to £14,000.

European News

Ertl hits at EEC farm policy

By Christopher Lorenz

FRANKFURT, July 21.

ONLY JUST back from the inconclusive talks in Brussels with his Common Market colleagues, West Germany's Agriculture Minister today severely criticised the EEC's common agricultural arrangements.

Speaking on the radio network of his home state, Bavaria, Herr Josef Ertl said the Common Agricultural market had created the present "misérable" farm situation. He said he had always had doubts about the effectiveness and political practicality of the agricultural part of the Treaty of Rome.

This did not mean he was against European unity, but rather that the original construction of the Common Market in farm products was too obviously based on wishful thinking by the politicians then in power in France and Germany.

Herr Ertl seems to have been referring here to the basic agreement between Paris and Bonn that the new Community would benefit France agriculturally and Germany industrially.

The Agricultural market should not stand still because prices were integrated and agricultural structures partially unified, Herr Ertl maintained. Harmonisation of the different legal, administrative, tax and support regulations was urgently necessary, as was economic and monetary union.

If the present agricultural difficulties should become permanent it would be absolutely necessary for the EEC member states to look for new solutions, he continued. For this the Commission's construction co-operation was necessary and pointers in the right direction were already apparent in Brussels, Herr Ertl said.

In an interview to be published tomorrow the Minister said that it was probably still impossible to talk to France about a revision of the Common agricultural policy, but that a revaluation of the franc would create a completely new situation. Herr Ertl said nothing about the likelihood of such a development, tying his remarks directly to "rumours in the Press."

Turkish leader hits back at Makarios

NICOSIA, July 21.

Dr. Fazil Kutchuk today accused the Greek-Cypriot leader of trying to create an artificial crisis on the eve of September's General Assembly meeting.

Dr. Kutchuk was referring to a speech by President Makarios yesterday at the village of Marathovouno, near Nicosia, in which he said the Government would take protective measures to guard the Greek-Cypriot villages against alleged harassment by Turkish-Cypriots nearby.

For several months the Greek-Cypriots have complained that Turkish-Cypriots were preventing them from going freely to their fields in Turkish-controlled areas. Dr. Kutchuk in a statement today claimed the Greeks were ignoring existing agreements, supervised by the United Nations peace force, for sowing and harvesting crops in areas where the two communities are in confrontation. Reuter

SHARP RISES IN JAPAN'S CAR SALES

By Our Own Correspondent

THE HAGUE, July 21.

Sharp rises in the sales of Japanese cars were the most remarkable feature of the Dutch passenger car market in the first half of this year. Toyota more than doubled its market share to 2.6 per cent, compared with the first half of 1970, and now occupies eleventh place, immediately followed by Datsun, with a market share of 1.4 per cent.

The total number of cars sold in Holland in January-June of this year was 239,800, an increase of 4.5 per cent over the first half of last year.

Joint announcement by Phoenix Assurance and Bradford and Pennine Insurance Companies

Since some misunderstanding may have been caused by the feature "Viewpoint" in the current edition of DRIVE, the AA motorists' magazine, concerning the position of the Bradford & Pennine Insurance companies, we wish to make it clear that these companies are wholly-owned subsidiaries of the Phoenix Assurance Co. Ltd. As members of the Phoenix Group they are backed by the resources of this leading insurance concern and will continue to provide a secure and stable insurance service to motorists.



PHOENIX ASSURANCE

Get tough demands will follow Irish bank raids

BY DOMINICK J. COYLE

DUBLIN, July 21.

ARMED RAIDS today on two banks in the Donegal seaside resort of Buncrana are certain to lead to further demands on the Government to control the activities of militant Republicans. Local police say armed men got away with £2,700 from the raids, on branches of the Royal and the Hibernian banks on opposite sides of the same street.

Banks in the Irish Republic have been a frequent target for raids by militant Republicans in search of funds in the past few years, and many bank branches have a regular police guard during normal opening hours.

Five Gael, the main opposition party in the Dail, has already called on the Government to curb the activities of illegal organisations.

France's biggest property investment groups.

The UDR said that it had suspended M. André Rives-Henry, a former aide of Prime Minister M. Jacques Chaban-Delmas, because of the way in which confusion had arisen between his private activities and his membership of the Gaullist Party.

M. Rives-Henry who will continue to sit in the National Assembly as an independent, is one of 10 people connected with the "Garantie Foncière" property group who have been charged with fraud, breach of trust and complicity in misusing savers' funds. He would remain suspended until the outcome was known of the proceedings against him, said a UDR statement.

The 54-year-old deputy is a former president of the company that manages the "Garantie Foncière" group, which has a capital of Frs.205m. (£15.4m.) and has attracted money from 15,000 investors. Reuter

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PARLIAMENT



MPs call for a television council

By Justin Long, Parliamentary Correspondent

ADICAL NEW controls over the BBC's presentation of current affairs were urged by MPs in the Commons yesterday.

In the light of the recent accusations of political bias in the BBC, Mr. Christopher Chataway, Minister of Posts and Telecommunications, was pressed on both sides of the House for action in the system of control that would safeguard objectivity in presentation. In particular, the establishment of a broadcast council on similar lines to the Press Council, was warmly advocated.

Good number

Mr. Chataway said he had had a number of suggestions which had been put forward to him under the title of broadcasting council. It covered a wide variety of ideas. Making clear that he had doubts about the wisdom of adopting such a system, he said he was prepared to consider any proposals put forward in the House. He pointed out some of the essential differences between newspapers and broadcasting, which makes the Press Council a good model to follow.

The Minister during a 10-minute exchange on the subject.

I believe what a good number of MPs are asking for is a radical change in the system so that BBC governors would no longer have the twin functions of both managing and answering to the public. There are arguments on both sides of that position.

When the Labour side's advances against the recent programme, "Yesterday's", were again raised, Mr. Chataway told the House that he was not saying that the present system of broadcasting as a sacred trust had been a failure. For 50 years it had been a good arrangement. The BBC governors as trustees of the public should have responsibility for overseeing programme production and safeguarding the public interest.

If I were to separate these functions one would move to stem nearer to that practised by the ITA. It will have its disadvantages and advantages, both these systems, the latter maintained.

From the Tory side came the suggestion that the Press Council might be invited to oversee current affairs programmes on television and radio. But the Minister considered there was a great deal existing in relation to broadcasting. He did not see the Press Council would itself be able to do it.

From the Labour front bench was urged to examine alternative methods of evolving a system under which the BBC governors were not the judges of complaints about bias.

Work again

Mr. Chataway said he would only give careful consideration to any suggestions put to him. But what was suggested was a very radical restructuring of broadcasting, and if one were to believe the objectives put forward would mean the establishment of a body like the ITA over the BBC as well. He said he was surprised if the House had not done this.

He said he would look at the proposals again and that the Minister said he would have an undertaking of that kind. But I will consider all suggestions put forward," he stated.

Other complaints about the treatment of politicians in programmes were raised with William Whitelaw, Leader of the House. Not only the Labour but a Tory Minister had suffered, it was contended. Whitelaw indicated that he was based on the BBC a letter from the latter complaint. He had received from Mr. Carr, the Employment Secretary, that these are difficult and I would not like to see them on one way or other," Mr. Whitelaw added.

'Patriality' and wives

GOVERNMENT yesterday took to ensure that foreign-born wives of Britons had no right to live in the United Kingdom and Liberal peers during the resumed Commons stage of the Bill in which it was stated that wives born in the Commonwealth would be outside the "patriality" classification. This meant they could stay in the UK only on the sufferance of some Secretary, having no right of abode here.

Mr. Whitelaw, Minister of the Home Office, said that there should be an automatic grant of patriality to the wife of a British citizen, if somebody who is himself a British citizen.

He was in mind coming forward with a comprehensive amendment providing that the wife of a British citizen shall herself be a British citizen in the right of abode.

COMMON MARKET DEBATE

Wilson—'the facts'

Mr. Wilson, with some credibility, yesterday established his opposition to the Government's terms of entry into the Common Market on more solid ground than that of shifting political opportunity. He stood firm, in fact, on the terms on which the Labour Cabinet had agreed to Quoting from Cabinet papers, Mr. Wilson told MPs at the beginning of the four-day debate on the White Paper that particular importance had been attached to the safeguards for New Zealand: "A transitional period was not enough, unless it was for a generation. The arrangements would have to be permanent, at least in effect to a permanent change."

Lord George-Brown had repeated these conditions in the capitals of Europe: "These are the facts. This is what a Labour Government asked for." But it was not what the Conservative Government had got, said Mr. Wilson.

Choice is clear and prize is a great one—Heath

Mr. Heath said he had handled the first negotiations for entry into the EEC in 1961. "It was therefore with particular pride that a fortnight ago I was able to tell the House the present Government's conclusions."

Reasons

"The reasons that impelled the two Conservative Governments and a Labour one to make an application to join the Community seem to us to be as valid to-day, indeed, more valid to-day, when first made 10 years ago."

He had always stressed the industrial and economic argument for going in. "The promise in the long run of a single market in Europe, a new foundation from which European industry and European science can grow to match the achievements of the United States and the Soviet Union."

"I have never seen a European policy as a policy of withdrawal into a fortress Europe either for ourselves or for other countries. I have always seen it as a means of enabling us with Europe to continue an influence which I believe to be beneficial in all parts of the world."

"Nothing has happened in the last 10 years except to show that a Britain outside Europe, and an Europe without Britain, has been unable to achieve in great measure the events in the Middle East or the Far East while we have watched a new power rise to a position of immense influence in all parts of the world."

Mr. Wilson had said: "Our purpose is to make a reality of the unity of Western Europe." "If we do nothing, we are great since that time except that we now have a Social Democratic Chancellor in Western Germany who has made the boldest and most audacious effort so far to ease the tensions that divide his country and the world."

Matured

Mr. Heath said it had long been recognised that one could not apply to enter into negotiations with the Community unless one accepted the common agricultural policy. It was as simple as that.

The manifesto had stated that if we could negotiate the right terms it would be in the long-term interests of the British people for Britain to join the Community.

Negotiation also meant accepting other Community institutions as they developed before becoming full members. This the governments in 1961, 1967 and 1970 had also fully accepted.

Mr. Heath said that in the last 10 years the Community and its institutions had changed except that they had "developed, matured, prospered and proved themselves."

It had been his own experience in meetings with the Commission and the Community that they had in infinitely greater degrees of flexibility of approach now than in 1961 when we were first negotiating with them.

Successful British governments had reached the conclusion that the provision of satisfactory arrangements could be made on certain major issues, the security, in-

Mr. Geoffrey Rippon, the Government's negotiator, interrupted: "What we have obtained is a continuing arrangement subject to review." "Tell that to Pompidou," laughed the anti-Marketiers. "It is nothing but a commitment to reconsider after three years," Mr. Wilson rejoined.

Were the New Zealanders satisfied anyway, asked a Tory MP. Mr. Wilson was up to date about the state of opinion. Hadn't the Government seen the morning's headlines from down-under, he asked with surprise. "New Zealand's euphoria ends."

Though flanked on the front benches by pro-Marketiers Mr. Roy Jenkins and Mr. Harold Lever, Mr. Wilson, with success, placed himself on this issue between those who would accept EEC membership and those who would reject it on any terms.

He put Mr. Heath among the former—and got a delighted cheer from the latter by endorsing their demands for a select

Committee to find the answers to such questions as the impact of entry on the balance of payments. Refuted by the cheers of Labour MPs—in unison if not unity—Mr. Wilson looked a more formidable opponent than the Government had expected.

The Six Wilsonian quotations from the support with which the Prime Minister had supported the Government's case for entry now only reinforced the doubts and uncertainties.

But Mr. Heath's rallying cry got an enthusiastic response from the Tory back benches. "It is a choice which depends on our own courage and our own far-sightedness," the Prime Minister said. "The choice is ours and the prize is a great one. As a nation we must show the wisdom and energy to seize and make the most of it."

Philip Rawston

leverage in world affairs for which the instinct of this House continues to ask."

The same was true of Britain's power to influence international agreements covering world trade and payments, so important for our international trading position. Most people would like to see Britain do more to relieve world poverty.

"Now we have the opportunity to join a Community which has a better, and record than our own, and which has provided special arrangements of a unique and remarkable kind for the countries which once formed part of the colonial empires of its members."

"Thanks to the success of our negotiations we have ensured that the vast majority of the countries associated with us in the Commonwealth can either share those special arrangements in the future or else work out trading arrangements of their own with the Community to suit their own particular needs."

"At the same time through membership of the Community we have the opportunity to develop the resources out of which we can improve our own record in trade and in overseas investment."

"We are now entering into a phase of rapid movement in world affairs which provides opportunities for statesmanship which, if taken, could break down barriers we have come to take for granted in our modern world."

Decision

With an enlarged Community and a common foreign policy, the prospects for understanding between the two halves of Europe would be that much greater.

"We are now seeing a dramatic and welcome renewal of contacts between the United States and China. At the same time, the United States and the Soviet Union are deep in conversations on nuclear disarmament, and it is likely that the future of every citizen of this country and of Europe."

"We cannot be sure to-day about the outcome of either of these developments—what we can say is that they are, or should be, the concern of Europe."

"So the decision we are called upon to take on this great matter in the autumn is not simply a decision about our own prosperity. It is not simply a decision whether to join a Community which offers a chance to do more in the developing world. It is also a decision whether we should join with the others in working out a European policy which would give Europe an effective voice in these overwhelming developments which vitally affect her future."

"It is no longer a choice which can be postponed into the future. It is no longer a choice which is contingent on the decisions of others. It is a choice which is now in the hands of the members of the Six now welcome us. That is the great change that has taken place since 1961 and 1967. It is a choice which is offered here and now in 1971."

"It is a choice which depends on our own courage and our own far-sightedness. The choice is clear and the prize is a great one. As a nation we must show the wisdom and energy to seize it and make the most of it."

Effort

Dealing with arrangements for New Zealand dairy products, Mr. Heath said: "The Deputy Prime Minister of New Zealand, Mr. Marshall, has described this as a major achievement, and one that is very satisfactory for his country."

Mr. Russell Kerr (Lab., Fellingham), said: "Marshall and Holt are stooges on the way out. The leader of the New Zealand Labour Party has expressed his opposition to the arrangements, and there is very great hostility to the part of the New Zealand people."

Mr. Heath said that Mr. Kerr's sentiments were not shared by the New Zealand Press, and that generally New Zealand had made a determined effort to stay out of British politics.

Mr. Heath said it was up to the EFTA countries which were not applying for membership to negotiate directly with the Community. "But naturally we want to avoid damage to our trading relationship with these countries, and the Community shares our desire. It wishes, as we do, to avoid the creation of new obstacles to intra-European trade."

Dealing with the impact on the cost of living, and the higher prices which we would have to pay for some of our food, Mr. Heath said: "The arrangements we have made will spread this impact over six years, and we estimate the cost of living rise

described, to make representations forthwith.

"The dumping of waste at sea is not at present subject to international controls. The Government is concerned about potential danger to marine resources and it was for this reason that we took the initiative in convening both a meeting of North Sea States in London on June 11 and a meeting of the United Nations Inter-Governmental working group on marine pollution, also in London in June, which we hope will lay the basis for international agreement."

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Hard working' MPs

MPs TO-DAY were generally younger, worked harder, were at Westminster for longer hours and had far fewer outside sources than their predecessors. Mr. William Whitelaw, Leader of the Commons, said at a Parliamentary Press Gallery luncheon yesterday.

He said: "I believe that these developments, which are any way utterly inevitable, are far more good for both Parliament and the country. They affect both the level of Parliamentary salary which is appropriate and the conditions of work in the Palace of Westminster."

Mr. Whitelaw spoke about the plight of MPs' wives and the "appalling impact" on family

'N.Z.: a transitional period was not enough'

MR. WILSON said MPs fell into three main groups. These were those in all parties who felt it was right to join and felt the terms were acceptable.

There were those who were against joining on principle and felt it would not be in the interests of Britain. The third group composed those MPs who saw advantage in joining only if terms which emerged from the negotiations ensured that Britain and Commonwealth interests were safeguarded.

He had always said that the terms must be right and that we must judge by the terms.

Information

Mr. Cranley Onslow (C. Woking) said: "You have mentioned three groups. Surely there is a fourth group of those who see short-term political advantage from opposing entry to the Market of which you, yourself, are planning to be head."

Mr. Wilson: "I see there is a Conservative Political Centre Publication about me which I see is being issued at a price of 25p and not, like other Tory propaganda, issued free through the Post Office."

Where analogies of his statements had been set out fairly and objectively, they had reached the conclusion that the importance of securing acceptable terms in any negotiations with the EEC was a constant through his speeches and interviews. "Both sides of the House are divided on this issue. As soon as this is recognised honestly by all Members, as it is in the country, the better we shall get on. No one here has said we would have to accept whatever terms emerged."

More information would have to be given on certain issues including fisheries, the operations and rules of the Iron and Steel Community and regional policy. There was great concern about the regional implications of Britain's entry. When he reported to the House in 1967 about his own discussions with the Six heads of Government there "was a considerable degree of laxity, permissiveness even, in respect of regional and national programmes for regional development."

But recent developments had thrown some doubt on the optimistic impression he had been given.

Mr. Wilson asked how far would ECSC rules prohibit the use of development areas and other regional policies in the steel and coal industries. Would the British Government be able to intervene in location policy in the steel industry, he asked.

He trusted that Ministers during the debate would endeavour to give a clear estimate of the expected cost to Britain's balance of payments and the measure they had in mind to mitigate its impact. Otherwise all experience pointed to restrictions on growth and a growing threat to levels of employment.

In giving their best estimate, Ministers could do so with "whatever qualifications they felt it right to make and with the assumptions on which it is made."

Election

"If they refuse to do this, I have another suggestion to make. The House will have seen a motion calling for a select committee on these matters."

"I don't see how the Government can reject that proposal. Parliament and the country have the right to know the facts before the decision is taken."

Mr. Wilson said that Mr. Heath had "rightly, in my view," rejected a referendum.

He had rejected for reasons I understand, but do not share, the idea of a general election to test the country's feeling. He has left the decision to Parliament with the whips on.

"On this basis he cannot refuse the information the House needs."

Thorpe: Terms are right

MR. JEREMY THORPE, the Liberal leader, said that Mr. Wilson was wrong to say that the commitment of the Labour Party was only to negotiate. It had also promised to "pursue our application for membership with all the vigour and determination at our command."

He rejected the idea that one could go nipping about the common external tariff, value added tax and President Nixon going to Peking. This was dishonest.

On the basis of the Government's attempt in 1967 "one must assume that Lord George-Brown was sent to negotiations to succeed and was not sent to Europe as a ruse by the Prime Minister to keep him out of Britain."

If Mr. Wilson had all these reservations why did he ever go and negotiate with them in the first place?

Mr. Wilson had implied that the terms would not be the terms he, as Prime Minister, would have recommended.

It is not without significance that there were four men basically involved in negotiations during the time of the Labour Government, and three of them have expressed their opinion that these terms would have been acceptable."

Mr. Rippon intervened to say that Lord Chalfont (former Minister of State, Foreign Office) had expressed the same view on the BBC programme World at One.

Mr. Thorpe commented: "Well,

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It was interesting that these figures did not appear in the White Paper.

If the Government had nothing more to tell, and if it had nothing to hide—"and there is, of course the mysterious incident of the £500m that suddenly stopped barking in the night"—it should move for a select committee with powers to send for persons and papers and make available all the information the committee might require.

The committee should have the power to sit in the summer recess and perhaps be asked to produce a report by September 30. In view of the special importance of the question it might be worth considering that the Speaker should be invited to preside or, failing that, some other experienced parliamentarian who "is above a battle now raging."

Another issue on which the Labour Government had been consistent related to capital movement. It was the central theme of his discussions with the Prime Ministers of the Six when he expressed anxieties about this question.

On Commonwealth sugar, Mr. Wilson said that the Labour Government in 1967 and subsequently, had maintained that the interests of Commonwealth producers must be safeguarded.

"The terms brought back from Brussels have no such safeguard for Commonwealth sugar producers so far as the Six is concerned."

He described the question of New Zealand as one of the most serious issues for the whole House and for the country. At the Labour Party meeting on Saturday he had said that he would not have recommended a Labour Cabinet to make an application for entry into the Common Market except on the basis of sure and continuing access into Britain of New Zealand produce.

"That was the Labour position, and the party's position but it is clearly not the position of the present Government."

Because of criticisms he would give the House full details of the Labour Government's commitment and the terms it was prepared to accept in relation to New Zealand when it considered entry into Europe in 1967.

In doing so, he relied on his own "clear memory" of what occurred, and had also refreshed this memory by consulting the records.

In the early months of 1967 Lord George-Brown and I had talks lasting many days with the heads of Government of the Six. Following these talks we reported in detail to our Cabinet colleagues, and then we made our joint recommendation to our colleagues that we should make an application for entry.

"As far as New Zealand was concerned, we would not have been prepared to recommend entry, nor would the Cabinet have been prepared to agree to entry, except on the basis of what we had told the Six."

"That recommendation was that, for New Zealand a transitional period was not enough, unless it was for a generation."

"It is not believed that we have to be, if not permanent, at least equal in effect to a permanent change. That justifies the statement I made on Saturday, and which I have repeated today, and it rules out of court subsequent Press and other statements."

In opposing the Government's New Zealand terms he had taken exactly the line he took in 1967.

Repeated

"Neither Lord George-Brown nor I could have made a recommendation to the Cabinet unless we had stated what our attitude on New Zealand was at the heads of Government of the Six, and unless we had subsequently had a clear assurance that it was worthwhile our applying."

Outlining the discussion in the six capitals, Mr. Wilson said that in Rome, Lord George-Brown had dealt with agriculture and the food question at some length. Lord George-Brown had said "the gravest obstacle, which could not be surmounted by transitional arrangements alone." In Paris, Lord George-Brown had stated that Britain believed the problem could be solved only by some derogation from the Treaty of Rome which would allow New Zealand reasonable access to her traditional markets.

In Brussels Lord George-Brown had said that members of the Community must face up to the fact that some form of permanent trading for New Zealand would have to be agreed if Britain was to join.

In Bonn he had suggested the problem could be overcome by a Morocco-type protocol, or an association agreement for New Zealand.

This statement had been repeated in The Hague, and later in Luxembourg. Lord George-Brown had suggested that transitional arrangements for a 20-year period might suffice.

Mr. Wilson said: "These are the facts. This is what a Labour Government asked for. After we had stated our case in those terms there was no comeback, no disagreement, no opposition to our membership from any country except France."

"We were thoroughly justified in applying to join Europe on the terms we had recommended, that is, on the basis that arrangements for New Zealand should be permanent or equal in effect to a permanent change."

Untrue

Mr. Geoffrey Rippon, the chief Common Market negotiator, said: "What we have obtained is a continuing arrangement subject to review. I made it perfectly clear to the Community that a 20-year transitional period would not be sufficient."

Mr. Wilson replied: "You have got nothing but a commitment to reconsider after three years."

He had read suggestions that the negotiating position had been prepared by the Labour Government before June, 1970. This was not the case.

"Nothing had come before the Cabinet nor been seen by my colleagues nor myself, and the statement in the White Paper based on it is, therefore, untrue."

The Government has rightly called for a great debate, but has started it with a White Paper which is a party political manifesto."

Before the election, Mr. Heath had promised that "all our economic problems were going to be solved at a stroke of his wand." The Tories had fought the election on the law of the market in Britain.

"They never mentioned the Common Market as a means of solving our problems." Last year's prescription had failed, and Mr. Heath had said that only many MPs, but millions of people outside, who "reject this defeatist view" taken by the Government.

"Britain is likely to be at least as strong, vigorous and prosperous outside the Market as if it were to enter the Market on the wrong terms."

Chemical dumping plan 'deplored'

THE GOVERNMENT deplored on general environmental grounds the intention of the Dutch vessel Stella Maris to dump 600 tons of waste chemicals off the west coast of Ireland. MPs were told.

In a statement Mr. Anthony Royle, Under-Secretary, Foreign and Commonwealth Office said: "It has come to our notice that the Dutch vessel Stella Maris is to dump 600 tons of what is described as chlorinated aliphatic hydrocarbons in the Atlantic in a position approximately 600 miles off the west coast of Ireland."

"We as yet have no precise details of the content of the waste or of the conditions in which it will be dumped. Although the preliminary view of our experts is that the dumping of this waste would cause no harm to fisheries, the Government deplores this action on general environmental grounds because of the chemical's persistence and tendency to accumulate in the food chain."

"Our embassy in The Hague is already in touch with the Netherlands Government as a matter of urgency about this and any other similar actions, if the material is as described, to make representations forthwith."

"The dumping of waste at sea is not at present subject to international controls. The Government is concerned about potential danger to marine resources and it was for this reason that we took the initiative in convening both a meeting of North Sea States in London on June 11 and a meeting of the United Nations Inter-Governmental working group on marine pollution, also in London in June, which we hope will lay the basis for international agreement."

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Mr. Whitelaw spoke about the plight of MPs' wives and the "appalling impact" on family

lives of membership of the House of Commons. "I spent, I suppose, the first six years, or more, of my Parliamentary life, wholly in a different place from my wife, except at week-ends. You don't have any family life in the accepted sense."

He was "greatly discouraged" about the attendance in the Commons by MPs. "It is much to my regret that we don't have the reputation of more people sitting there with their prepared speeches," he said.

He added: "I hope the October Common Market debate will be a major occasion. And if it does something to restore the reputation of the floor of the House, nobles will be more pleased than me."

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Outlining the discussion in the

Other Overseas News

Palestinians occupy Arab Embassies

By John Walker

STOCKHOLM, July 21. ATTEMPTS were made by young sympathisers of the Palestine Liberation Front to occupy the Saudi-Arabian, Tunisian and Egyptian Embassies here in protest against recent treatment of the Palestinians in Jordan, which has no mission in Stockholm.

The demonstrators, numbering about 50 people, were mainly Palestinian and some Swedish student sympathisers. Spokesmen for the Tunisian and Saudi-Arabian Embassies said that they were quite prepared to listen to what the demonstrators had to say, and the Tunisian spokesman added that although the demonstrators had come prepared to use force this was averted and a letter of protest had been accepted by the Embassy.

The only actual occupation took place at the Egyptian Embassy where the demonstrators for three hours. Embassy staff called the police who eventually evicted the demonstrators, who were about 30 strong. Scuffles took place during the eviction between the police and the demonstrators, seven of whom were detained for questioning.

Reuter reports from Amman: More than 1,500 Palestinian commandos who abandoned bases in North Jordan are returning to their homes either in this country or in neighbouring Arab states. It was reported here today.

The Jordanian government newspaper Al-Rai said that 30 other commandos had decided to remain under arms and fight on "in the path of genuine and true resistance against Israel."

Of the 1,537 to return home, Al-Rai said 1307 would leave for Syria at their own request and 311 others would join their families in other Arab countries.

Reuter adds from Tel Aviv: The Israeli Government is expected to decide soon on the fate of Arab guerrillas who fled to Israel from Jordan—amid indications that they may eventually be conditionally released.

Millionaires' conference in 1973

By Our Own Correspondent

JERUSALEM, July 21. THE HIGHLY successful Jerusalem economic ("millionaires") conference convened by the Israeli Government shortly after the six-day war of 1967, which resulted in a massive flow of new investments, know-how agreements and the opening up of new marketing channels throughout the world, is to be followed up by a jumbo convention of 1,000 investors and executives in 1973—Israel's 25th anniversary year.

Not that there have been no conferences for the past four years; some 400 leading businessmen from the U.S., Canada, Britain, Europe, South Africa, Latin America and even the Far East participated in a full-scale follow-up convention in 1969, and the regional committees have been meeting periodically at monthly or quarterly intervals.

The scope of the operation is indicated by the fact that 65 from among America's 500 biggest companies now have investments of one sort or another in Israel—in the industrial, commercial and construction field, as well as in the rapidly growing tourist field.

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FT22/7

Australia denies Jenkins' allegations on sterling

CANBERRA, July 21.

AUSTRALIAN Treasurer Billy Snedden today denied that Australia ever threatened to switch its sterling reserves to dollars or gold and said it had never entertained moving out of sterling during Britain's 1968 economic crisis.

He was giving Canberra's first reaction to criticism of its role during the crisis by Mr. Roy Jenkins, then Chancellor of the Exchequer.

(In a speech last Monday supporting Common Market entry, Mr. Jenkins said the Australian Government had been "the toughest, roughest, most self-interested" he had known.)

Mr. Snedden's reply, made on behalf of the Government after a day-long cabinet meeting, made no reference to allegations by Mr. Jenkins that the Australian Government was "the toughest, roughest, most self-interested" he had known.

But he said Australia had given steadfast support to sterling since World War II, despite two devaluations which had meant heavy losses in the value of its overseas reserves.

For years it had held little more than working balances in U.S. dollars and a small accumulated amount of gold.

"Gradually, as our dollar borrowings and liabilities built up, we started to accumulate larger holdings of dollars," Mr. Snedden said. "This was simple business prudence and was done with the full knowledge of the British authorities."

During 1968, when there was a heavy flow of British portfolio capital into Australia, there were strong suggestions that Australia should try to move out of sterling.

Contrary to what Mr. Jenkins has suggested, these suggestions were never entertained by the Australian Government, and during the course of discussions in 1968 the then Treasurer, Mr. (William) McMahon, stated our policy both to the British people and to the British Government.

Controls

However, Mr. Snedden said, Australia had refused "largely for technical reasons" to give a specific undertaking sought by Britain to hold the increasing portfolio investment in sterling.

"When this was conveyed to the Chancellor of the Exchequer, it was stressed that although we gave no specific undertaking we would continue as in the past to act with a full sense of responsibility towards sterling."

Britain, as part of an agreement to borrow \$2,000m. in Basle, had later sought an undertaking from Australia to retain a minimum of its total external reserves in sterling, Mr. Snedden added.

It had offered to guarantee additional sterling up to dollar-value for 60 per cent of Australia's holdings. After negotiations, Britain had agreed to guarantee approximately 80 per cent of Australia's sterling.

During that period strong elements in the British Labour Party were urging drastic controls on capital outflow to Australia. It was pointed out by Australia that such controls would seriously affect its external reserves and make the proposed agreement unworkable.

"The British Government accepted our viewpoint," Mr. Snedden said.

Pressure on New Delhi to take over oil

By Our Own Correspondent

NEW DELHI, July 21.

PRESSURE from Parliament is growing on the Petroleum and Chemicals Minister P. C. Sethi for the nationalisation of foreign oil companies in the context of the recent imported crude price rise.

In a special debate on his Ministry in the Upper House of Parliament, repeated demands for the take-over of foreign companies with refineries here (Burmah Shell, Esso and Caltex) were made, forcing Mr. Sethi on to the defensive.

In reply to severe criticism of slow decision-making, Mr. Sethi agreed with members that "foreign oil companies got together" in demanding a crude price rise. This had led the Ministry to make a "serious study" of proposals for either outright nationalisation of the companies or majority equity participation by the Government.

However, he added: "It will not be prudent on my part to announce at present what the future course will be" after three hours of debate.

[In New Delhi Foreign Office sources said India is totally against the posting of UN observers on the Indian side of the border with East Pakistan. They said India had already told countries sponsoring such a move that it would consider any canvassing for it an "unfriendly act".]

Pakistan's proposal looks to the formation of a civilian group. Its first base of operations would be East Pakistan, where its members would have to satisfy themselves that conditions there were propitious for the return of the refugees and, presumably, report to the UN on factors militating against such return.

Supplementary demands are expected to be presented later this week and they are certain to run into several hundred million rupees. International assistance has been forthcoming, but insufficient. Estimates are that

a total of Rs.1,300m. has been promised by all countries.

Our Calcutta Correspondent writes: The migration rate of East Bengal refugees over the past week has fluctuated from day to day but the average daily rate given officially is 20,000. With the latest arrivals thrown in, the total influx into India comes to about 6.87m. Of this, 5.25m. are now in West Bengal. The West Bengal figure excludes 127,000 already dispersed to camps outside the state.

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AUSTRALIA AND CHINA

Peking puts on the pressure

BY DEREK DAVIES

THE Australian capacity for loyalty to allies combined with a somewhat simplistic view of the rights and wrongs of Asian politics are qualities which have hardly helped Canberra to adjust to dramatic changes affecting the region which followed President Nixon's Guam doctrine. U.S. plans to withdraw from Vietnam China's ping pong diplomacy and now the news received with embarrassed incredulity in Canberra that Nixon himself is to visit China.

It was not until 1966, long after most nations committed to diplomatic recognition of Taiwan had begun to reappraise the policy of containment and isolation of China, that Canberra defiantly appointed an Ambassador to Taipei. The then External Affairs Minister Paul Hasluck went to Taipei to say that the two nations shared "similar if not identical views." The gesture seemed unnecessarily tendentious for a country which over the last decade has sold more than 8m. bushels of wheat to China—sales conservatively valued at over \$1,200m., about one-third of Australia's wheat crop every year. Last year 220m. bushels—nearly 60 per cent of the total crop—went to China.

But at least the upgrading of the mission to Taipei was of a piece with Australia's bawls defence and foreign policies which were formulated along Dullesian lines in the days of the cold war, simply transposing the national fear of the "yellow peril" forged by the Japanese World War II conquest of South-East Asia to the allegedly expansionist millions of China.

Shaky

Convinced of an international communist conspiracy, Australian policy-makers failed to take account of the Sino-Soviet dispute and the late Premier Harold Holt committed a contingent of Australian troops to Vietnam, vowing to go "all the way with LBJ."

All went well and Australia both had its cake and ate it until earlier this year. Then it became disturbingly apparent to Canberra that China had no intention of opening negotiations for further purchases of wheat. Peking was striking a vital blow not only at the Australian economy but at Australia's shaky coalition of the Liberal and Country parties. The latter was dependent for much of its support from the farmers who were

already feeling the pinch of rising costs and the low price of wool and who felt that Canberra had not done enough to cushion the impact on them of Britain's entry into the EEC.

Mr. Gough Whitlam, the leader of the Australian Labour Party, opposition saw his opportunity. His promise to "bring the boys home" from Vietnam had already proved to be effective

arrived in Hong Kong after an apparently successful two-week visit to China. The party had visited Peking, Shanghai and Canton and held a series of useful interviews with Chinese spokesmen, including Prime Minister Chou En-lai. Whitlam emerged with the news that Peking would be willing to take part in a revival of the 1954 Geneva Conference on Indo-China.

He learned with amusement of attacks on his visit by Mr. McMahon—that the Chinese were using Whitlam and "playing him like a trout," that his visit had insulted most of Australia's friends and allies in Asia, that he had reacted one-sidedly to the latest Communist Vietnam peace offer in a "wild diplomatic game," ignoring China's involvement in wars with India, Korea, Tibet, Indo-China and Thailand. Whitlam, McMahon alleged, was prepared "without morality, without responsibility" to "dump the 14m. people of Taiwan."

The Australian Premier had reiterated his claim that his Government had been in contact with Peking. But the news that Nixon's adviser Kissinger has been fishing in the same waters as Mr. Whitlam has embarrassed Mr. McMahon and made his sneers at the opposition leader sound very ill-advised.

Mr. Whitlam's visit shed some light on the reasons for China's refusal to buy Australia's wheat. Just before his party arrived in Peking a Canadian trade delegation in the capital had extracted a statement from the Chinese to the effect that China would "continue to give first consideration in Canada as a source of supply" of wheat. The word "continue" had grim significance for its implied that even if Canberra followed Ottawa's example in recognising Peking, the Canadians would always be given preference.

When the party got to Peking Dr. Patterson was told that Australian hostility to China had created obstacles to the wheat trade. These were: Canberra's recognition of Taiwan, its failure to acknowledge Peking's claim to Taiwan, its opposition to China in the UN and its support for "American aggression" in South-East Asia.

Some confusion had been caused by previous reports that Australian restrictions on exports to China were the main cause of complaint, but this theory was hardly supported by

China's continuing purchases of Australian products other than wheat. Last April it was announced that China had placed orders at the Canton Trade Fair for aluminium, pig-iron, silicon steel, wire rod and scrap metal worth about \$6m. over half of which was accounted for by an order for pig-iron and steel rebar from Broken Hill. The Labour Party delegation confirmed the China is prepared to do business with BH and Comolco, but not the Australian Wheat Board, which is regarded by Peking as a government agency.

Mr. Whitlam has pledged his party, if elected, to recommit China along the lines negotiated by Canada and Italy. He agreed in Hong Kong that his visit would determine the result of the Australian federal election next year.

Sport

The rabidly anti-Communist Australian Democratic Labour Party has already accused Whitlam of being "China's cat" for the premiership.

Hong Kong he found it necessary to deny that his party had got out of its way to ingratiate the Chinese. So accusations may prove to be harmful to his electoral chances as the Labour Party's ascent to the top of the South African Springboks.

Automatic anti-Communism almost as deep-rooted an article of faith in Australia as it is in the United States. Further, foreign policy issues have never ranked very high in the Australian voter's priorities. Whitlam underlined the stress will lay on foreign affairs. Flying straight on to Japan at his tour of China. Later he plans to visit the Philippines.

However, two of his foreign policy issues have great domestic significance—the promise to bring the boys home from war in Vietnam and the prospect of reviving the vital wheat trade to China. The bitterness of attacks being levelled at him by the Government at home indicates that McMahon feels that Whitlam has stolen a march on him. But in the wake of Nixon initiative such accusations are unlikely to prove harmful. Whitlam's electoral chances are McMahon. America's who has been left out on a limb.

Take some room with a view in the Areas for Expansion



If your company is looking for room to expand then look at the Areas for Expansion: the Development Areas, the Special Development Areas, the Intermediate Areas and Northern Ireland. Here the difficulties that can restrict expansion in the heavily congested areas of the Midlands and South East England are much less of a problem. Here you can find not only room to expand but also readily available labour, good communications, and cash grants.

If inadequate premises are restricting your expansion, consider the advantages of a spacious new factory in one of the Areas where there's room with a view to future extensions and good access to transport facilities.

If cash is needed to realise growth potential quickly, the government incentives include building grants at improved rates of up to 45% (subject to legislation) in the Special Development Areas and Development Areas; and at rates of up to 35% in the Intermediate Areas, and new tax allowances (also subject to legislation) on expenditure on machinery and plant.

In the Special Development Areas and

Development Areas, loans can be arranged on moderate terms. New undertakings being brought into the Special Development Areas can also be considered for operational grants of 30% of eligible wage and salary costs during the first three years of operation.

As a bonus, your new factory can be sited close to some of the most attractive and culturally alive parts of the country—where opportunities for sport and leisure activities are numerous. The Areas for Expansion could therefore help to expand both your business and your horizons.

For a confidential discussion of your company's requirements get in touch with us at "Industrial Expansion" at the Department of Trade and Industry. Filling in the coupon is the first step towards getting all the facts.

Do it now—or telephone 01-222 7877 Ext. 3333.

Certain areas hitherto designated as Development Areas have now been made Special Development Areas and a few new areas have been given Intermediate Area status.

Post to: Industrial Expansion, (F712) Department of Trade & Industry, 1 Victoria Street London, S.W.1.

Please send me literature describing the benefits available in the Areas for Expansion.

Name.....

Position in Company.....

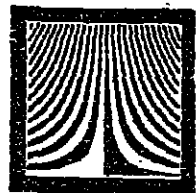
Company.....

Nature of Business.....

Address.....

Get the facts from the Department of Trade & Industry

هكذا من الأصل



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CONSTRUCTION

Plumbing built to shape

AS other aspects of building became more and more systemised, it was only a matter of time before the highly traditional plumbing trade was subjected to a thorough re-examination of established practices, resulting in the introduction of a modular prefabricated system.

A method of assembling all pipework services into a modular frame ready for delivery to site and speedy installation, devised in Switzerland, is being introduced to this country.

Called the Montel system, it was developed by George Fischer, and is being launched here by Le Bas Tube Company of Eagle Wharf Road, London, N1.

Intended primarily for back-to-back bathrooms and kitchen layouts where the concentration of services in one unit results in greatest economy, the system is really ideally suited to high-rise buildings, although lateral arrangements are possible.

To the mechanical services contractor the system allows the efficiency and accuracy of workshop assembly; to the craftsman it means greater comfort while assembling, while at the same time speeding up the process on site.

Le Bas reckons it takes up to three hours in the workshop to assemble a typical frame once the workmen are familiar with the technique, and on site assembly can take as little as half an hour.

Once the initial design has been decided upon it is simply a matter of repetition. The pipe-fitter gains maximum advantage from power-driven equipment for tube cutting, screwing and frame assembly, with the result that besides greater comfort for the fitter, greater reliability ensues.

One of the first large jobs in this country to have the system installed is the Aer Lingus hotel in Kensington being built by Sir Robert McAlpine, with Haden Young the mechanical services contractor.

The Montel unit comprises three basic groups of components: single-section horizontal and vertical members, square-section cross spacers and aluminium alloy pipe locating brackets available in standard pipe sizes.

Besides the advantage of speedy pipework installation, the system also offers the prospect of lighter partitions in the bathrooms, as the sanitary fittings can be attached directly to the modular frame rather than to the wall.

In addition, from a management point of view, the system permits more accurate work measurement, and from a labour point of view, attractive piece-work rates could be introduced.

MARTIN ROUTH

Portable sound shelter

AUDIOMETRIC tests are difficult to perform in a normal industrial, or even academic, environment because of the high ambient sound level.

Now, a cubicle that gives a high degree of insulation from external noise, and which is also mobile to the extent that it can be moved easily from room to room, has been announced by the Industrial Acoustics Company of Walton House, Central Trading Estate, Staines, Middlesex.

Dimensions of the structure have been determined partly by the need for it to pass through a standard doorway. Thus it has overall dimensions of only 75 by 28 by 38 in., on height, width and depth respectively. Inside dimensions, despite the high degree of soundproofing, are 68 by 34 by 24 in. large enough to accommodate most adults in comfort.

Overall weight of the unit is 650 lb., and it is made mainly of 3.5 in. thick sound insulating board and has a double glazed window which is claimed to prevent claustrophobia. The door is secured by a magnetic lock that also excludes external noise, while the floor is laid with carpet-backed nylon carpet for maximum sound absorption.

Instant homes

At Albany, N.Y., in the U.S., Westinghouse Electric Corporation is to supply 1,100 pre-assembled kitchen modules and combination heating and air conditioning systems to the Guildersland Park Corporation.

The units will be installed in 55 high- and middle-rise garden apartments and single-family homes located in a Planned Unit Development now under construction by Guildersland. The privately financed development is expected to grow to 2,400 middle-income dwellings in about three years.

The 550 kitchen modules—complete with major appliances,

HANDLING

Linear motors work lift doors

LIFT doors operated by linear motors are more reliable than other types, and offer savings in head room, when hydraulics are used to control their ac motors, according to Becker Equipment and Lifts.

While ac linear motors are the more reliable, problems inherent in controlling their acceleration electrically led lift engineers to work on dc types.

Initially, dc motor operated lift doors largely failed on two counts: first, the linear windings burnt out quickly when the motor was stalled even for only 15 seconds, and secondly, the linear windings were very susceptible to damage.

Becker's experience in hydraulic control of mechanical handling equipment was of use in applying these techniques to the control of ac linear motors in lift operation.

Lintel crane motors manufactured by Herbert Morris were

MATERIALS



PLASTICS

Welding contours

TWO contour welding machines for thermoplastics are now being imported into the U.K. by Molnar Machinery of 6, The Broadway, Woking, Surrey.

First of these, known as the SIGMA, is specially designed for the automatic manufacture of such shaped items as surgical gloves, shaped covers, gramophone record bags, and cones for packing and sending bunches of flowers complete with water.

In addition to forming the articles, the machine will also automatically weld them to a paper backing to simplify subsequent packaging.

POLLUTION

Natural gas buses

AS AN answer to the growing pollution problems in cities—both from the viewpoint of smoke and chemicals and from that of noise—the MAN company of Munich has developed a design of city bus which uses liquefied natural gas as the fuel.

The expectation of many environment specialists is that in practically every city in advanced countries private vehicles will eventually be prohibited, at least from streets in central areas. However, buses use mainly diesel engines. While the combustion products from these are, in general, much less

toxic than from vehicles using internal combustion engines running on petrol, they are noisy and the smoke they emit contains "sick-making" chemicals.

MAN's new design runs on liquefied natural gas, contained in insulated cylinders held under the vehicle body.

The company claims that it can offer a reduction in pollutant emission of between 60 and 90 per cent. It also says that conversion of existing vehicles to natural gas burning is relatively inexpensive and should not cost

more than 10 per cent. of total value of the vehicle.

In addition to the normal equipment of a vehicle, a liquefied gas, holding the natural gas per cent. methane at a minimum 190 degrees C. This will be turned into vapour in a gas evaporator and fed to a pressuriser before going to the carburettor of the conversion engine.

Ferranti lightweight resin-bonded paper rollers, which have mechanical properties comparable with metals, have been chosen to form the bodies of the new design rotary machine brush in the Polydura Range manufactured by the Workshop for the Blind, Oldham, Lancashire. The cylinders are made by Ferranti's Insulation Department, Hollingwood, Lancashire.

Manufactured from paper impregnated with a phenolic resin, the Ferranti rollers are lighter and less expensive than a comparable size roller manufactured in aluminium. They are almost completely chemically inert and can be machined for a surface finish, drilled and tapped. They have good corrosion resistance properties and are ideal for a wide range of mechanical duties, replacing lightweight metal rollers.

The cylinder brushes are of unique design, in that, when the brush becomes worn only the brushing filaments have to be replaced. This replacement can be effected in a matter of minutes quite often without even having to take the roller off the machine. The complete roller does not have to be replaced.

This is because the roller is constructed with polypropylene channels fixed to its outer surface to the required brushing pattern. Into these channels slide brush strips also made from polypropylene, comprising filaments welded to a backing strip. It is only these strips of brush which need to be replaced. Also, the manufacturers guarantee that the polypropylene brush strips give at least three times the life of natural fibres.

Less smoke using new additive

REDUCTIONS in the amount of smoke emitted by cars running on JP5 and JP2 fuels have been achieved in tests carried out by Combustion Chemicals, Burnley, Lancashire, using a new manganese compound formulated as a fuel additive.

These tests were run on JP5 and JP2 fuels and showed that the addition of the additive to JP5, that the grade fuel could be used in certain turbine applications, was unsuitable. This there can be considerable saving in fuel.

Dosage rate for the additive is about one part per thousand, in this proportion it gave a reduction of 50 per cent. on different of turbines and on the standard fuels.

River water monitor

SAMPLING PUMPS needed to supply river water to the main monitoring stations in pollution control of rivers, available from Megator Pumps and Compressors.

For river authorities to immediate in-water fluctuations in water quality, have to use automatic monitoring stations. Megator developed a unit comprising electrically-driven sliding pump, back-flushing, suction hose with coupling, Dolphin floating suction strainer can be situated at considerable distances from its intake pump, being a positive displacement unit, it also gives a constant capacity at varying of water.

As one of the factors measured at monitoring stations is dissolved oxygen, the same pump should be designed so that no air can enter through gland to disturb the reading. Megator pump's mechanical seals are always under pressure so air cannot enter.

Trays made quickly

BOTH sheet and foamed plastics material can be made into trays and dividers on the automatic

Plastiform machine available from Edlon Machinery, Barter Street, London, W.C.1A 2AE.

Three units make up the equipment: a former, a cutter and a cutting and stacking unit. Irregular shapes made on the former are finished on the cutter and can then be taken off on a conveyor, while simpler units are processed on the cutter and stacker. A feature of the equipment is that the central cutter can be added or taken away from the basic installation as required.

Forming area is 20 by 14 in. with a draw of 3.5 in. Electronically controlled top and bottom heating elements are a standard feature, allowing the user to select both the extent and distribution of heat on the work-piece.



another record

The sixty-ninth Annual General Meeting of Fodens Limited will be held on 11th August at Elworth, Sandbach, Cheshire. The following are extracts from the circulated statement of the Chairman, Mr. Albert Stubbs.

Results

The increasing turnover and profit in the previous year continued well into the financial year under review, commencing April 1970. The turnover and profit by the end of the year were £14,561,000 and £1,295,000 respectively, being a considerable increase over the previous year's figures which were themselves a record.

Trading Conditions

The profit figure is below the forecast of £1,500,000 made on 6th August last at the time of the bid for Atkinson's. The short-fall in the forecast profit was mainly due to two factors, a rapid deterioration in trading conditions during the latter half of the accounting year which affected our production programmes and a

higher inflation rate than was anticipated at the time of the forecast which reduced profit margins.

The recession in trade firstly affected our dumper sales and later the road vehicle business. Most of our trade is direct with customer users and we have few distributors obligated to take stock vehicles. The effect of the recession was therefore quickly felt but conversely we expect to benefit immediately trade picks up again. The explanation of "recession" is to be found in the state of affairs outside the control of our Company. Dramatic changes have been taking place in the National economy.

In addition to the rapid change from a seller's to a buyer's market, inflation also ran at an exceptionally high level and this applied to both wages and material. The average increase in wages of our employees was 19½ per cent compared with the previous year. This high level of inflation, together with the limited

amount of stock-piling, resulted in the high stock figure, a matter which is receiving our closest attention.

Export

The value of goods exported was slightly higher than last year at £2,785,000. Our South African Company continues to prosper and has increased its turnover and profits. In other parts of the world business has been mixed, fluctuating with trade conditions and intense competition from foreign manufacturers. Our overseas marketing structure is being strengthened and we are looking more to world markets.

New Regulations

This is a time when industry should be unimpeded and have the opportunity of helping itself. Unfortunately, at the present time the transport industry is handicapped by the delay in finalising the new Construction and Use Regulations for commercial vehicles.

Future Prospects

With the general recession in this country still continuing, it is difficult to forecast prospects for the current year with any degree of certainty. However, as and when the position improves, the Company will be in a strong position to take full advantage of any increased demand which should result, the recent extensions and improvements to the factory now being complete.

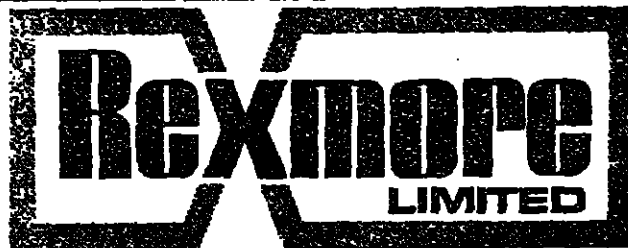
I would like to acknowledge the loyalty and support of our employees, both staff and works.

Dividend
The Directors
recommend
a dividend
of 12½%
as last year.



Commercial vehicles & dump trucks built for long-term economy.

Fodens Limited, Elworth Works, Sandbach, Cheshire.
Phone: Sandbach 3244 (16 lines). Telex: 36163. London Sales Office: 10 Hanover Street, London W1. Phone: 67493-9322.



Group Sales above £20 M.
Profit before Tax and Minorities
£1,310,000.
Made public in 1964 on Pre-Tax profits
of £188,000.

GROWTH RECORD SINCE FLOTATION:

	1971	1965
Pre Tax Profit	1,201,000	312,000
Earnings per share	65.4p	16.3p
Market price per share at 31st March	165p	45p

First two months are ahead of last year.
A. ROSENBLATT, CHAIRMAN

RECORD YEAR FORECAST

George Ewer Group

(Grey-Coach Coaches and Retail Motor Trade)

Points from the Statement of the Chairman, Mr. H. G. EWER for the year ended 2nd January, 1971.

Profits at £184,891 increased by £52,354 over 1969. Dividend increased by 1% to 8%.

Freshhold properties realized at £1,089,856 giving surplus of £494,959 over book values.

1971 and future is viewed optimistically. The Coach side is benefiting from expanding foreign tourist market. Retail Motor Trade turnover is considerably higher than comparable period last year.

Our budgeted profit for 1971 is £236,000 before taxation, and at this stage we are ahead of budget.

Full Statement and Accounts from:
The Secretary, 53, Stamford Hill, London, N.18.

RADIANT METAL FINISHING COMPANY LIMITED

The Annual General Meeting was held on Wednesday, 21st July, 1971. The following are extracts from the Statement of the Chairman, Mr. D. Dudley Morgan, and the Accounts for the year ended 28th February, 1971.

Record sales and profits have been achieved during the year under review. Turnover rose from £331,120 to £385,850 and although new methods and techniques did not succeed in offsetting the whole of the increase in production costs, it is particularly satisfying that in present conditions a record profit could be achieved.

Turnover for the first three months of the current year was at a higher level than in the comparable period last year, and the Directors are confident that both sales and profits will further increase in the present year.

	1971	1970
Profit before taxation	£101,571	£86,850
Profit after taxation	£61,997	£48,550
Dividend rate	15½%	14%

Copies of the Annual Report and Accounts may be obtained on application to the Secretary, Radiant Metal Finishing Company, Limited, 42 Bedford Avenue, London, W.C.1.

Shipping cranes to Cardiff

ENGINEERS from the British Transport Docks Board port at Cardiff have developed a method of discharging fully erected quayside cranes from a floating pontoon into a "ready for use" position on the quayside.

This problem arose by the Docks Board of eight Stothert and Pitt electric cranes from the Port of London Authority's Surrey Commercial Docks.

Conventional methods of discharge, involving floating cranes, were ruled out at Cardiff where the port's own floating crane, although having the capacity for making the 100-ton lifts required, had insufficient headroom to clear the cranes.

PARAMBE RUBBER COMPANY OF CEYLON

The following are extracts from the circulated statement of Mr. T. H. Macer, M.C., F.C.A. (Chairman):

The profit accruing from Estate operations in Ceylon fell from £21,313 to £15,679. Income earned from U.K. investments increased to £10,472 and the combined profit of £26,151 is only £1,501 lower. Remittances were received from Ceylon covering the Second Interim dividends declared out of Ceylon earnings for 1969 and 1968 which were paid to Shareholders together with a First Interim dividend from U.K. earnings for 1970. A further Interim of 34% on the new Capital is now recommended out of U.K. earnings. A Third Interim will be paid when such funds are received from Ceylon.

For several years past the Directors have been examining ways whereby the Company's dependence upon the Estate for its profit could be reduced. Investments in Plantations Companies operating in Malaysia have been steadily expanded and in April of this year the issued Capital was increased to £146,425 by a rights issue. We shall have had the use of the money arising from the issue for a period of only seven months but preliminary results are quite encouraging. We have at last got this Company moving and I feel that we can look to the future with every confidence.

Vertical conveyor

MANY factories and warehouses have storage on more than one floor, and often the difficulty of moving heavy packages to upper floors inhibits proper use of all the space.

Now, AMF Legg, of Andover, Hants, has announced a vertical chain conveyor aimed at giving reliable transport to and from upper storage levels.

The unit consists of a steel box frame with weatherproof cladding, and with a pair of chains driven by an electric motor at the upper end and a pair of gear wheels. The chains carry H-section slings which can be designed to suit particular applications. Cases or packages are loaded by way of an inclined roller conveyor. As a sling reaches the on-load point, it picks a case off the conveyor and carries it either up or down depending on the sense in which the unit is being used.

At the off-loading point another set of rollers arrests the movement of the cases and conveys them into the building or storage bay.

Each unit can be made to the size required by the user, and they can be used either inside or outside a building.

FINANCIAL AND ACCOUNTANCY APPOINTMENTS

MSL

Management Consultants
in Human Resources
□ LONDON □ BIRMINGHAM
□ GLASGOW □ MANCHESTER

Group Commercial Accountant

age about 35 £5000 plus

This new appointment calls for a chartered accountant to work with the Financial Director on aspects of profitability, relating to marketing and commercial matters of a £150m. turnover British-based international company in the fast moving consumer field. Working closely with top management, the man appointed will be concerned with the evaluation of business and marketing plans including the responsibility for long range planning, new product launches, pricing structures, distribution methods, investment opportunities, etc. His future career development could lie in the financial or general management functions. Candidates should have 4 to 5 years' professional experience which has included investigation work and share and takeover evaluations. Also they should have some commercial or industrial experience preferably in a consumer orientated environment. It is vital that they are capable of analysing problems and presenting reports clearly and concisely, and of operating effectively at top management level. Location London: bonus: re-location assistance if appropriate: car provided. Please write or telephone for further information. R. Llewellyn reference B.2513.

Corporate Planning

at least £4000

International Group: London based

These are pioneer appointments with an international pharmaceutical group's recently created corporate planning division. Reporting to the division's head who is responsible to the group's Chief Executive, their immediate tasks will be to critically appraise total group plans and performance. Specific activities will include strategic planning for the co-ordination of the group's total resources and appraisal of diversification and acquisition projects. Candidates, ideally 30 to 35, with industrial experience including corporate planning and line management should preferably be accountants or business graduates. High intellectual ability coupled with well rounded personalities are essential. Some travel will be involved. Please write or telephone for further information. R. Llewellyn reference B.2501.

Company Finance

£2750-£3750

Merchant Bank: aged 25-30

This is an opportunity to join the Company Finance Department of an established merchant bank of international reputation and to work on new issues, acquisitions, mergers, reconstructions, and financial planning. The successful candidate will join a team of varying disciplines and background and will participate in the general work of the department, involving a broad range of client contact. Applicants may be qualified accountants, lawyers or graduates, but strictly relevant experience is essential; this may come from a merchant bank, the issue department of a stock broker, or the finance department of a large company. The salary prospects are good, there is a non-contributory pension scheme and a generous house loan scheme. Please write or telephone for further information. R. A. Sackett reference B.2504.

An MSL Consultant has analysed each appointment
MSL, 17 Stratton Street, London, W1X 6DB.
Telephone 01-629 1844 (at any time).
Your enquiry will be in confidence.

Director of Finance

Salary £8/10,000 p.a.

This appointment calls for a man of outstanding ability with a wide experience of financial and commercial management, whose chief task will be to advise the Board as to the most appropriate and profitable use of the Company's financial resources. The Director of Finance will be directly responsible to the Managing Director and will have under his immediate control the financial accounting, cost

accounting and budgetary control. The Company has a multi-million pound turnover and is engaged in medium/light engineering with a special emphasis on the design and manufacture of products for use in the aero-space industry. Serving governments and industry throughout the world, the Company has built up an international reputation for quality and integrity.

PERSONNEL ADVERTISING LIMITED

Write in the first instance to J. Wild, Personnel Advertising Limited, 22 Red Lion Street, WC1R 4PX, stating companies to whom you do not wish your application to be forwarded and quoting reference GRS 180 on the envelope.

More than just a Tax Specialist

The kind of tax specialist we are looking for could be a young accountant or solicitor with post-qualification experience, and a good knowledge of the UK tax system and its operation. As a member of our Private Clients' Department, which gives comprehensive tax planning and investment management advice, he would meet, advise and have close personal contact with clients. Age probably between 27 and 35 years. A knowledge of investment procedures would be an asset. Salary generous, related to qualifications and experience.

In the first instance write to:-

M. A. Fisher,
First Investors Financial Services Limited,
15 America Square,
Crosswall, London EC3.
Telephone: 01-488 4511
A Vasseur Company

Newly Qualified?

If you have just passed the Final Examination of the Institute of CHARTERED ACCOUNTANTS in England and Wales and wish to broaden your experience and start on a developing career path:-

We are currently seeking newly qualified accountants to join our Audit Department. Training courses provide instruction in modern auditing techniques which are applied in the Firm. There could be opportunities to specialise, after an initial period, in investigation work, management services or taxation. Salaries are at full current rates and substantially above for outstanding accountants.



Please write in confidence to the
Staff Partner, Spicer and Pegler,
56-60 St. Mary Axe, London,
EC3A 8BJ, or, P.O. Box 498,
12 Booth Street, Manchester,
M60 3ED.

YOUNG BANKERS MANAGEMENT TRAINING

Major American Banking organization, with fast-developing City and European business, now seeks 3 new young Bankers, 21/22, for training in Finance, Exchange, Acq'n., Int'l Credits. Some A.I.B. grants will be of great assistance.

Salary to £1450 + exc. bene.

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London, WC1V 6AZ

BANKING APPOINTMENTS

The Specialist Consultancy for the Banking Profession
(Strictest confidence assured)

358 Strand, London W.C.2.
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Collection Manager £5,000

HERTZ EUROPE LTD. is the European Headquarters of the Hertz Corporation and is responsible for the development of Corporation activities in Europe, Africa and the Middle East. A position exists at our new Headquarters in West London for a Collection Manager.

The successful candidate will report to the Controller—Europe. He will co-ordinate collection efforts on a European level, assist companies in Europe to improve collections, investigate possibilities of centralising or factoring local receivables, prepare short and long term

plans for receivables and implement proper reporting procedures.

The position requires a professional collection expert with several years' experience in similar positions. Candidates should have not only a knowledge of credit and collections but should have demonstrable experience in analysing and improving office work flow relative to receivables procedures from a production rather than a theoretical point of view. They should have a high standard of basic education and preferably some subsequent training in law, accounting or banking.

If you are action-minded, flexible, able to stress to local management, the importance of liquidity for company growth and you are aged between 25-40 with preferably one other European language besides English, please write to me, in confidence, giving full details of your past experience and background.



Mr. J. F. Farley,
Director of Personnel,
HERTZ EUROPE LTD.,
Turrit Building,
Great West Road,
Brentford, Middlesex.

Financial Controller

AUSTRALIA

Steelley minerals and chemicals group with worldwide sales in excess of £65 million is currently expanding rapidly in Australia and has plans for further major investment in that country. As a result we need a young financial controller to be based in Sydney. He will be responsible to the Managing Director of Steelley Australasia Pty. Ltd. for all aspects of finance, including in particular, evaluation of potential acquisitions; co-ordination of five year plans and budgets; establishment and operation of effective management information systems; cash control; taxation; capital expenditure control. In addition he will act as Secretary to Steelley Australasia Pty. Ltd. The interest and career prospects of this position are exceptional and should attract a professional accountant aged 30-35, preferably with a university degree who has drive, ability and initiative. There will be a short induction period at Steelley Headquarters in Nottinghamshire. All expenses for family transfer to Australia will be paid if necessary. Salary will not be a limiting factor.



For application form please write to
Vernon Brook, Company Personnel
Manager, The Steelley Company Limited,
P.O. Box 6, Workshop, Notts.

STEELLEY

Deputy Manager

BANKING

CITY c. £6,000
For the London branch of an international bank engaged in wholesale banking which provides an overseas service for its domestic customers. The position has arisen due to the retirement of the present holder.

Responsibility will be to the manager for day-to-day operations of the bank and for supervising the work of a small staff.

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GENERAL APPOINTMENTS APPEAR TODAY ON PAGE 14

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MITCHELL CONSTRUCTION HOLDINGS LIMITED Report by the Chairman Mr. D. D. Morrell

The Annual General Meeting of Mitchell Construction Holdings Limited was held on the 21st July at Winchester House, London Wall, E.C.2. The following is from the Statement of the Chairman Mr. D. D. Morrell.

1970 Accounts

In its announcement in January, your Board indicated that it did not expect the profit for 1970 to be less than £150,000. In the event, it is £120,000, which is an increase of 11% on the 1969 figure. The provision for taxation, which was abnormally high last year at 49%, is down this year to 38.8%.

At the Annual General Meeting, the final dividend recommended to shareholders for approval will be 20%. With the 80% interim dividend already paid this will make a total distribution for the year of 30%.

Organisation

Changes have been made in our organisation where we have felt that these will lead to increasing efficiency. During 1970 we grouped Mitchell Camus Ltd., Mitchell Yull Ltd. and Mitchell Construction Development Ltd. into a housing and development division, Kinnear Moodie & Co. Ltd. and Kinnear Moodie (Concrete) Ltd. have become direct subsidiaries of the Group.

I would like to take this opportunity of thanking all those within our organisation to whom unstinting effort and loyalty we owe the continued success and expansion of our Group.

Orders

I regard the small increase upon the 1969 turnover as being satisfactory and shareholders will have noted the change in its distribution. In the unhealthy market conditions in the United Kingdom during the past few years, our policy has been to look overseas for an increasing proportion of our turnover. This policy has met with a measure of success and during the year 34% of our turnover was generated overseas against 24% in both 1968 and 1969. We must always bear in mind that it is necessary to have a reasonable workload at home as a basis for our overseas effort. The total order book of the Group is at the highest level in our history and presents an encouraging base for further development.

Operations

As forecast, the good progress on the Glen Green Reservoir for the TUC Valley and the Glen Green Water Board saw completion and impounding on schedule by THE MITCHELL CONSTRUCTION COMPANY LTD. Another major contract completed during the year was the Hope Cement Works for Associated Portland Cement Manufacturers Ltd and excellent progress was made on John Player and Sons' Horizon Project at Nottingham. Good progress on the factory at Barnstable for the International Chemical Co. Ltd. has allowed occupation to take place two months ahead of schedule.

Overseas, a contract valued at approximately £12m. has been awarded for the construction of the large underground power station on the Zambesi River at Kariba. This contract, won in international competition, gives continuation of a type of work in which the Company has had wide experience.

KINNAR MOODIE & CO. LTD.'s tunnelling work for the City of Coventry's main drainage scheme continued throughout the year and the major part of the works to be completed on schedule. Overseas the tunnel which forms part of the first stage of the Municipality of Bangkok's new drainage scheme has been completed.

We have secured another major contract for the Metropolitan Water Board, involving the construction of 8.5 kilometres of tunnel on what a Drum Digger will be used.

The CANADIAN Company has made substantial progress, and has been entrusted with a greatly increased volume of work. It is gratifying to note the number of clients placing 'repeat orders'. This reflects great credit on the competence of the company's management and the reputation which it has built up.

Although the past year has been one of considerable economic difficulty in many parts of the CARIBBEAN, I am happy to say that our activities there have made further progress. I am also glad to report that despite the disturbances which occurred in Trinidad for a period in 1970, the year saw a considerable expansion in the operations of HORSFORD & MITCHELL CONSTRUCTION LTD.

Last year I mentioned that we had formed a company in Barbados to supply ready mixed concrete on the island and that a good start had been made. I am pleased to record that the company continues to operate satisfactorily and is exceeding the projections upon which it was based.

The results from our SOUTH AFRICAN ventures in 1970 were disappointing. This was mainly due to one unsatisfactory contract, now nearing completion and reserves have been taken for all actual and anticipated losses. We believe the operation has turned the corner and that we have provided a sound base for future growth.

Good progress has continued and URBILAR S.A.R.L. is now contributing towards the profits of the Group. As a result of its work we have built up a great deal of goodwill and experience in Portugal and have formed a new subsidiary, CONSTRUÇÕES MITCHELL S.A.R.L. to develop direct construction work and design/management projects in Portugal and the Portuguese speaking territories.

MITCHELL YULL LTD., which was formed last year which was engaged on the location and acquisition of land for development of private housing, and building work has begun.

Demands for the control of pollution, coupled with the quality of our products and the dependability of delivery has enabled KINNAR MOODIE (CONCRETE) to increase its output. I mentioned in my report last year that we were considering plans for increasing our manufacturing facilities to enable our policy of expansion and diversification to continue. These plans are now being put into effect and include the provision of additional production buildings and heavy cranes at our Airedale factory. In addition, we have commenced manufacture of Kinnear Moodie products at the Group's factory at Newmans in Lanarkshire. Research and development into new materials and products continues and we hope to bring some of these to the production stage during 1971.

As part of the process of maintaining and seeking to enhance standards we have during the year acquired a new site in Peterborough which will enable us to develop together the main storage and workshops of ANGLO SCOTTISH PLANT LTD. This re-arrangement of the company's base in Peterborough is a major undertaking. I am sure that the effect of this will be reflected in reduced costs of maintenance, a more efficient service and greater flexibility.

Although the Government has greatly reduced the number of Local Authority houses to be built in Scotland, every effort is being made to retain our share of this market. MITCHELL CAMUS LTD. has been awarded the first contract for 'traditional' housing by the Borough of Coatbridge. It has also received letters of intent for schools from the County Council of Renfrew and has been advised that it has been nominated for the construction of a Camus school superstructure for the Corporation of Glasgow.

Despite an unsettled market PRESTON SUBURBS LTD. has had a successful year and has significantly improved both its turnover and its profitability.

SCOTT-SHIPS LTD. LIMITED, which for several years has worked with an imaginative and enthusiastic service in the fields of graphic arts and photography, became a member company of the Group in June 1970.

The Future

Trading conditions in the industry have become progressively more difficult for many years and we have looked in vain for a reversal in the trend. In addition to the severe restraints and uncertainties arising from the general shortage of work, we have had the twin problems of acute inflation, coupled with the imposition of an arbitrary and unimaginative policy in respect of fixed price contracts for 'traditional' profit margins in the industry are traditionally geared to a high turnover of capital. They have not yet adjusted themselves to the increased rates and to the delays in payment that are particularly prevalent in the public sector. A combination of all these factors over the years has, I believe, tended to create an industry that is in itself unhealthy, bristling apart from the total economic environment in which it works.

There have been some signs that the Government might move away from its rigid fixed price policy if an acceptable alternative can be found, and it is to be hoped that even the question of delayed payment will receive further scrutiny in the near future. Any changes which both increase competitiveness and make the industry more healthy would be entirely consistent with the present Government's philosophy of looking at fundamentals and would provide a welcome reform from the inequitable expedients of the past.

While it is encouraging to contemplate such an improvement, the steps we have taken, and continue to take, both to diversify our activities and to further strengthen our management, continue to stand us in good stead. For this reason, in spite of the difficulties that surround the industry, I expect 1971 to be another satisfactory year.

Vehicle and General Tribunal of Inquiry

Solvency margin in 1962

The Vehicle and General Insurance Company's accounts for 1962, when examined by the Department of Trade and Industry showed that the statutory solvency margin for that year had been substantially exceeded, the V & G Tribunal heard yesterday.

However, Mr. Peter Webster, QC, for the department, questioning Mr. Cyril Homewood, an Assistant Secretary at the DTI said there appeared to be a £46,000 discrepancy.

Referring to a minute written by one of Mr. Homewood's executive officers after examining the accounts, Mr. Webster said the statutory solvency margin required for the year was £80,000. The apparent solvency margin on the accounts was £166,000 and according to the officer's minute, expressed as a percentage the solvency margin was 14.7.

Counsel said that according to his own mathematics, such a percentage would produce £127,000 or less.

Mr. Homewood said that 14.7 per cent. produced roughly £120,000.

Asked by Mr. Webster to account for the balance of £46,000, he replied "I cannot account for it off the top of my head."

Mr. Homewood said a possible explanation was that the officer included in the apparent solvency margin £10,000 from the motor vehicle additional reserve. But that would not be the complete explanation.

Mr. Norman Nail, of Epsom, a principal in the Department of Trade and Industry, was asked by a tribunal member, Mr. Michael Kerr, QC, about his role in relation to the object of legislation where there was a possibility of a future insolvency.

Mr. Nail said he had thought that had a moral obligation to try and protect the interests of policyholders, going as far as they could in standing and status to persuade companies—if they appeared to be taking a dangerous course or one that could become so—that the department had a duty to try and do something about it.

But he added, he had been under no delusion that they had any real legal basis on taking the view about future insolvency.

Mr. Nail agreed with Mr. Webster that V & G's premium income in the years 1964, 1965 and 1966 was more or less evenly spread over each year. There was a slightly greater preponderance in the first half of each year. In 1967 the distribution of premium income was slightly more evenly spread, peaking in the spring and summer.

Mr. Webster referred to a department minute which commented on the apparent over-financing of the company, and which stated that the attention of the management had been drawn to the departments concerned.

Mr. Homewood, questioned on this, said the company had raised additional capital but not quite as early as the department would have wished.

Another minute extract referred to by Mr. Webster said there was no suggestion that the

company's expansion had been made by any fraudulent method, but they had taken more chances than were prudent.

A further comment said it was difficult for the department to press the company more than it was doing.

Mr. Homewood told Mr. Webster he thought the V & G management had been competent but "a bit adventurous."

During discussion of the 1962 accounts, Mr. Michael Kerr, QC, one of the Tribunal members, referred to letters from the British Insurance Association to the department about V & G.

He asked Mr. Homewood whether the department had been getting letters of a similar nature from the BIA about other motor insurance companies at the same time, or whether the department was mainly discussing V & G with the BIA.

Mr. Homewood told him it was certainly going on more widely than with V & G alone, but it possibly attracted more of BIA's attention because of the rapidity of its expansion.

The bulk of correspondence was concerned with companies in the motor field. A large proportion of it certainly dealt with V & G, but there were others.

Questioned, Mr. Nail agreed with the chairman, Mr. Justice James, that if V & G was conducting its business and keeping its records in such a way as to make it difficult to ascertain the accuracy of future liabilities.

The chairman: If that is so, how could you be satisfied that V & G was solvent in fact, you did not know whether it was putting into reserves sufficient to meet contingent liabilities which it had already undertaken to meet?

Mr. Nail: Certainly this was a missing factor in the forms regulations. There was no run-off statement prescribed in the regulations. My view was the Board had no legal power to compel companies to produce records of this sort. The only hope one had was that by pressing companies like V & G, where you wanted to keep more than normal surveillance, they would do this voluntarily.

Mr. Nail said there were relatively few complaints about V & G at this time. The tribunal adjourned until to-day.

SOCIETY TO-DAY

The chance the Government is taking

BY JOE ROGALY

THE GOVERNMENT'S social and economic policy is now absolutely clear. The results are still open to question. If the Government is then the British people will realise at last that they must work harder in order to become richer. On this assumption the country really does have a chance of breaking out of the old frustrating spiral; what is more, it might then genuinely take advantage of the economic opportunities opened up by joining the EEC. But if the Government is wrong, and most people continue to feel disinclined to put more energy into their working lives (be they managers or labourers), then we will return, with a vengeance, to the barren days of "stop-go." As for the Common Market, that pessimistic assumption, it will turn out to be a case of "enter now, pay later."

Experiment

For the central dilemma of British domestic policy remains what it has been for a generation and more: is the underlying mood one that favours rapid economic growth, given the right conditions, or is the public in search of different, less easily attained goals? I believe the answer to be the one that denies growth—yet one positive achievement that can be expected as a result of the Conservative policies that have unfolded over the past year is that now at least there is to be a national experiment, the outcome of which may go a long way towards providing hard evidence.

It is largely a question of psychology, or, if you prefer, confidence. There are three main strands to the Government's policies, each one of which could have a marked effect on the national psyche. The first is now well-known: the application of the stick. Prices have been allowed to float free, charges for Government services have been increased, and unemployment has risen.

The second came on Monday. The word "carrot" is perhaps too much of an understatement to describe the change now ordained, which is to move Britain towards becoming a consumer-orientated society of a kind that has not been seen in this country for a decade. There are also those who believe that this was not the primary

motivation, that what was really in the Government's mind was the need to win popularity while the debate on the Common Market continued. This may be so, nevertheless it is the effect of the action with which we must now be concerned rather than with what Ministers may have had in their minds last week.

Rejuvenated

And that effect is undoubtedly to increase the temptation to buy more—an inevitable feature of any economy that lifts all restrictions on hire-purchase. This could be an engine for rapid economic growth, if other circumstances prove to be right. Sticking with the optimistic view for a moment, assume that the consumer-led boom does turn out to be accompanied by a rise in productivity that alone can pay for what is to come.

If this is the way matters work out, then it may be reasonable to hope that the engine might turn over even more rapidly, as it will have to if the economy is to be saved once Britain becomes a full member of the EEC. The theory is that the allure of the business opportunities opened up by the market membership will quicken the blood of British managements and fire the enthusiasms of British workers in such a way that industry will be rejuvenated.

Now it is not necessary for non-believers to scoff at this idea. There can be no proof, either way, at this stage. It is a question of faith. It seems reasonable to assume that Mr. Heath and at least some members of his Government do honestly and sincerely believe that a combination of the stick and the golden carrot, together with entry into the EEC, will in the event really transform British attitudes and thus create what would be tantamount to a revolutionary change in our economic and social history. Those who are not possessed of this faith, as I am not, can only say, "we must wait and see."

It is, however, fair to point out some of the known obstacles in the way of the theory being proved true. These are worth examining in turn. The first is that even on the assumption that the overall rate of increase in prices is, in fact, diminished by this month's cuts in the Selective Employment and Purchase taxes, combined with the policy

of voluntary price restraint by industry, there are still a number of important individual prices that may increase by amounts that many people will find hard to bear.

The price of food is likely to rise by more than the average in spite of Mr. Prior's reassuring long in Parliament on Tuesday. This may be consonant with the food price policy of the European countries, but it is an unaccustomed burden for ordinary British families, and it is not likely to be alleviated by the measures that Mr. Barber has announced.

On top of this the Government has, for perfectly good reasons, introduced a new policy for housing, which means that many people will be expected to adjust to a high rent policy at the same time as they accustom themselves to high food prices. Rents will be increased by an average of 50p weekly every year until a "fair rent" is reached; this process will begin in the 1972-73 financial year. Now the basic assumption of the new housing policy—that the poorer tenants rather than their dwellings should be subsidised—is sound. It would be wrong to oppose it. Yet the extra 50p a week is a social factor that must be taken into account in weighing the likely outcome of the Government's general policies.

There are other built-in, guaranteed, price increases to come. School meals, about which there was such a fuss when the charge was put up by 3p to 12p in April, will go up by a further 2p in April, 1973. Sir Keith Joseph has been having difficulties with the medical and pharmaceutical professions but nevertheless remains committed to further increases in medicine charges. Income tax may be down, but for many people a noticeable amount of the gain will be accounted for in September when the price of the National Insurance stamp goes up by 10p (for those on zero) to 38p (for those on £20 a week) to 38p (for those on £40 a week).

Wage claims

And when SET finally goes, VAT will replace it. For most lower-paid workers some of these increases will be offset by rebates, exemptions, and sub-

sides; those on between £25 and £40 a week—the great majority of British workers—will have to find the extra sums themselves. Mr. Barber's consumer durable boom does not meet this problem.

In this situation it is hard to see how voluntary price restraint can have anything but a rough passage. The pressures on ordinary family budgets will continue to be felt, whatever responsible union leaders at the top may say. And the result may be different from that hoped for. Unemployment, a stick, does not beat so painful a blow as the hole down the hill. The desire for more income to meet higher charges as well as new necessities may be met by a willingness to work harder; the many may instead demand that unions extract more pay for the same work.

One inkling of the extent of a state of mind that expects the work ethic that alone would make the Government's policies succeed is the speech last week by Mr. Jack Jones, General Secretary of the Transport and General Workers Union. Mr. Jones speculated about the merits of a 35-hour (that is, four-day) working week. He pointed out that some "German" experts had calculated that with proper planning the work being done by the existing labour force could be carried out in 190 hours. The idea of a four-day week, he said, being put into practice by some of the large firms, was ready to catch on here; it certainly not the proposal of production-oriented society.

Two streams

Thus for the time being a question must remain open. The present truth is probably that both streams are in flow through British society, although in very different ways. The one stream, the one that is broader, swifter-running than that which favours frenetic work, it is, is that the Government is right that all that was needed was change in economic policy (in the lure of the EEC). The other, the latent and overwhelming strength of that part of population that seeks to richer by means of work, harder and more intelligent. The answer is now only General Election away.

VOLVO U.K. CAR SALES UP 37%

U.K. sales of Volvo cars in the first six months continued their strong growth pattern, a spokesman said yesterday. Registrations of 8,113 units were 37 per cent. above the same period of 1970, and more than double those in the first half of 1969.

SPORT: ENGLISH AMATEUR GOLF CHAMPIONSHIP

Defending champion beaten

BY BEN WRIGHT

BURNHAM-ON-SEA, July 2

THE 41st ENGLISH Amateur championship reached the stage of the last 32 here at Burnham and Berrow Golf Club this idyllic evening, and threw up several players of uncertain pedigree yet to make their mark on the game. Some of these have not done so after many years of trying. Many more are too young to have played much senior golf before.

Unappetising

The last minute withdrawal of one of the four seeds, five times champion Michael Bonallack, had given the championship the unappetising look of a plateful of roast beef without horseradish. To-day it was further denuded of class by the morning demise of defending champion Dr. David Marsh, beaten by Clive Woodford at the 20th hole, and by this afternoon's defeat of Michael King, a Walker Cup debutant in Milwaukee in 1969, and more lately an undefeated member of England's European team championship winnig side in Lausanne.

King, who would have been seeded had more than four been planted, was beaten by the Burnham club champion Captain Tony Hill, also a captain of Somerset, who won by two holes. The match, where Woodford struck a fine seven iron shot 12 feet from the hole and made his two. The tall Surrey man pressed home his advantage by taking the 10th and 11th holes for good measure. Marsh, who had struck a second shot to lose the former, and took three more untidy shots from just short of the 11th green.

steamy heat and this lovely course, with its abundance of giant sand hills and buckthorn bushes, could hardly have played easier.

In the circumstances Marsh did not putt half well enough against Woodford, a beanpole of a man who stands 6 feet 6 inches tall. He has specially lengthened clubs and is a civil service auditor who has never before played in this event. Also a Surrey County player, Woodford first made his mark by finishing eighth in the Brabazon Trophy cut short by the weather at Wryth Heath in 1968.

At 24 years of age he is a player of high promise, as could be said of several others in the last 32.

As so often happens when a player does not take early chances on the greens, the rest of his game eventually yields to the dual pressures exerted by himself and his opponent. This happened to Marsh to-day. He holed from 25 feet on the first green for a birdie to win the hole, but thereafter failed to seize several easier opportunities, and turned one down. He lost the seventh hole by taking three shots from the edge of the green and the ninth, where Woodford struck a fine seven iron shot 12 feet from the hole and made his two. The tall Surrey man pressed home his advantage by taking the 10th and 11th holes for good measure. Marsh, who had struck a second shot to lose the former, and took three more untidy shots from just short of the 11th green.

Revival

The title holder then staged a glorious revival that squared the match in the next three holes. At the 12th, where Woodford bunkered his drive on the right, Marsh struck a superb two iron to the hole.

At the 13th Woodford hooked his second shot on to the bank with Marsh five feet from the hole in two—this time having hit a great stroke with his seven iron. At the short 14th Marsh rolled in a six-foot putt for a two, and it now seemed he had taken control of his destiny.

Alas, he booked his second shot far through the 15th green, lost the ball in rough fully waist high. Woodford missed from four feet to go two ahead at the next, with two to play. Marsh refused to be beaten and took the 17th hole by bravely getting down in two shots from the sand. Woodford drove too far through the fairway at the last, came up left of the green with his six iron and was forced to hole from 15 feet to go to extra time. The 19th was halved, and then both

men squeezed every ounce drama out of the 20th.

Woodford pushed his d here on a mound from where he came up short with his iron—a good shot in the circumstances—with the ball three above his feet. Marsh had better drive, but he pushed second shot, and then thinned clubs on the last five holes. Meanwhile had chipped to feet. Marsh's next effort also suspiciously thin, but ball struck the pin and stayed dead. To his great credit Woodford holed his putt to beat champion.

The much improved King always been suspect under sure in match play, but on occasion he was rather unkind against Hill, a 35-year-old player who holed same kind of shot as Marsh, but over the last five holes. Wood got his nose in front, bespectacled Hill normally a "ping" putter. But on the first tee to-day he hit a shot that was missing. He was to rush to the car to fetch "silver swan," with its big metal head which he w with the skill of a magic wand, although it is m since he had used it.

After the preliminary missing King won the 5th 9th holes to turn to Hill, who had kept on term the skilful use of his putter, struck a telling blow by sir a 25-foot putt for an eagle to King's birdie at the 12th square the match. King's first mistake of consequence by bunkering his second shot the 13th. He skinned the out of the bunker and lost hole to go one down.

Hill played a masterly and a 4 foot putt to grab a in three at the next. He through the 16th green, but chip from a horrible spot his hole—and that was halved.

Suicide

Hill appeared to have shr but when he putted edge past the hole down the hill the back of the 17th green with great calm he holed return, and then King corner suicide. He came off to the last hole and watched viable agony as the ball s away into a deep clump of thorn bushes. It was found King was forced to take the lonely walk back to the tee. time his drive was perfect the second shot—his fourth—anything but, and after similarly weak chip King h out with a wry smile.

ECONA LIMITED

PROFITS STATEMENT

Year ended 31st March	1971	1970
Profit before taxation	207,352	173,834
Taxation	63,141	77,075
Ordinary dividends (21½%)	76,506	66,531
Retained earnings...	67,705	30,228

The full report and accounts will be posted to shareholders on 13th August 1971.

City failed to understand technological changes—TUC

FINANCIAL TIMES REPORTER

THE TUC yesterday criticised the City for its "apparent inability" to understand changes in technological and industrial organisation.

That was one of the great failures of the last 20 years, according to a TUC Memorandum of Evidence presented to the Parliamentary Sub-Committee on Trade and Industry.

Accompanied by the diffidence of the Government to intervene directly in the capital market, it had led to "severe malfunction" of the economy and inhibited worthwhile long-term investment, the memorandum said.

It claimed that that situation did not apply in certain other countries. The marketing systems in Germany, for instance, was much more closely linked to the structure of industry. In both Italy and Japan the director role taken by Government had had a profound dynamising effect on the direction of investment.

The TUC's memorandum had recognised that there were moves within the City to improve the situation, but those were not rapid enough. The divorce between the financial and industrial sectors still had damaging consequences.

There was, it said, often a direct conflict between the interests of the City and the owners of capital, on the one hand, and those of productive industry, on the other.

A quick return

The memorandum contended that the former benefited from high interest rates, and the latter from cheap money. For the financial sector, the need for a quick return in terms of accounting profits was paramount, while industry needed a long period of consolidated investment and growth.

Moreover, although the financial sector claimed the right to steer funds into particular industries by reference to market sentiment, this was often excessively based on short-term movements in the Stock Exchange rather than to long-term growth potential.

"No attempt has been made in recent years by way of a Royal Commission or by other means, including the TUC's proposal for the establishment of an EDC for banking, insurance and services—to assess the value of the job being done by the merchant banks, the Stock Exchange and other

financial institutions to ensure that industry seizes the investment opportunities which are available," the memorandum stated.

Such an investigation should now be put in hand.

Mr. Victor Feather, TUC general secretary, said it was suggested that there might be some inquiry into the role of the present played by the private money market.

"We think there is a misconception on the part of many people as to what the market is. We are suggesting that there should be a Royal Commission, for example, into the merchant banks. We think that a public eye on these, perhaps a Royal Commission, might be very helpful in forming a wider understanding of the part they play."

The TUC did not think the merchant banks should be put under the financial experts. "Let us see what they do and what their approach is. It might well be that there will be medals given to people as a consequence; it may be that there is a need for some other steps to be taken."

The memorandum said in that situation the TUC would argue that there was need for a direct Government intervention in the market, through the active channelling of various forms of financial aid for investment, and through direct acquisition of shares in people as a consequence, to ensure that industrially vital investment took place.

For that reason, the TUC regretted the abolition of the Industrial Reorganisation Corporation. The mechanism under that act was the establishment of a single large public agency or a series of agencies, with sufficient flexibility and control over its funds, could effectively achieve the required pattern of investment which the private sector had failed to achieve.

Retrograde step

The repeal of the Industrial Expansion Act was also a retrograde step in this context. The mechanism under that act was too slow acting to be ideal, but some form of machinery to channel public funds to take up private equity holdings on a selective basis was urgently needed.

They were suggesting that a single agency on the lines of the

The Marketing Scene

Philips TV Texaco goes to CDP attack

ONE of the fastest movers following the purchase of Texaco was Philips. On Tuesday a team of Philips salesmen was sweeping out of the London office carrying virtually the entire range of appliances and by 5.30 filming had started at Thames TV's Teddington studios. (Thames had put the idea to Philips.)

Filming went on until around 9 when the commercials were vetted and cleared. They went out twice, both lasting 30 seconds, at 9.26 and 9.58 and they were networked. At an estimate the cost was £12,000.

Other advertisers included Woolworths, the London and Woolwich Co-operative Societies and the London Gas Board. There does not seem to have been the same urgency in the regions. Granada had nothing to report and neither had Southern. But Yorkshire and Tyne Tees had some department stores.

BY ELINOR GOODMAN

COLLETT Dickenson Pearce has won the Texaco petrol account from KMPH after nine months of pitching for the business. The account, which is said to be worth between £300,000 and £500,000 this year, was won in competition with five other agencies, including Texaco's agency in the States, Benton and Bowles, Hobson Bates International and KMPH.

The move means that KMPH has lost one of its oldest accounts and one for which it has done some of its best known work. Before the Regent name was changed to Texaco in 1968, it was the famous Regent cowgirl, pump thrust out before her, who helped draw attention to KMPH, then a relatively new agency.

The actual name change itself was graphically illustrated in the series of ads showing text being ripped off a petrol station, and since then the above-the-line expenditure has been cut back, and various holding campaigns have been run aimed at positioning Texaco as one of the big international petrol companies.

But though the Texaco name has become well known, there seems to be a feeling within the company that it still lacks definition. In market share terms, Texaco is, as Regent was before it, number five in the market just after BP. But according to

most estimates its present brand share is slightly less than the 8 per cent it held before the name change.

In view of the amount of money spent, below-the-line by petrol companies, and the amount of servicing this involves, it may seem surprising that Texaco has moved to Colletts. But as Texaco point out, it does have its own promotional department.

For Colletts, Texaco fills a valuable hole in its account list. It has been actively trying to get a petrol account for some months and it first approached Texaco last November. More recently it has also been involved in the presentations for BP (which moved agencies last week) and is said to have been a close second to BBDO.

Another big account at CDP is Monsanto Textiles which has been looking at other agencies—in the past it was approached by a "surprising number" according to Henry Taylor who manages the company's advertising and promotion in the UK. But the cause of all the flurry was not the obvious one. Monsanto has a subsidiary called Lancel in Lancs. and it asked Monsanto for help in looking for a new agency. Eventually the choice was down to two and now one has been chosen—CDP.

The message is in the rubbish

Following my article last week on the waste in direct mail I was sent a waste paper basket. But I am sure it was more of a gift than a hint, and even more a promotional play for Moss and Clark. This is a company which deals in direct mail concepts. It knows that much traditional direct mail is thrown away. It follows fast on the heels of Michael Bungey, Byfield Mead, Geoffrey Cridland, and the agencies started by the unhappy executives who left Crawfords.

Why this bunch of fresh agencies? "There is a growing discontent by clients with existing agencies," says Tony Mallerman, who was creative director of Royds before setting up on his own with ex-CPV new business man Malcolm Summerfield and former Doyle Dane media supervisor Ken James. This is reflected in much more mobility by advertisers. In addition companies are more prepared to give business to new and small agencies. So now is a good time to set up shop.

A.T. Mallerman Summerfield James

More names to remember

THERE has never been a year like this for starting new advertising agencies. The latest, opening its doors today, is Mallerman Summerfield James. It follows fast on the heels of Michael Bungey, Byfield Mead, Geoffrey Cridland, and the agencies started by the unhappy executives who left Crawfords.

Why this bunch of fresh agencies? "There is a growing discontent by clients with existing agencies," says Tony Mallerman, who was creative director of Royds before setting up on his own with ex-CPV new business man Malcolm Summerfield and former Doyle Dane media supervisor Ken James. This is reflected in much more mobility by advertisers. In addition companies are more prepared to give business to new and small agencies. So now is a good time to set up shop.

A.T. Mallerman Summerfield James

already has two clients billing £300,000 a year between them. These will keep them in food for a year, if need be, and pay the rent at their Bond Street offices. They are also after another £300,000 worth of business. Their aim is grocery accounts and their watchword is profitability. They believe there is a lot of slack in middle sized agencies and they are determined to show their clients that mutual profits is the only key to success advertising. So stringent and anti-fab—that is the motto of Mallerman Summerfield James.

A.T.

AGENCY NEWS

THE MERRY-GO-ROUND of account switching never stops—even though it is high summer and it might be reasonable to expect a pause. Some well known names are involved in the latest batch although the budgets are not all that big.

Lotus Cars has gone to Hicks Oubridge. Last year's advertising was worth about £37,000 but as a spokesman said yesterday "we spend what is necessary but rely more on publicity such as road tests." RO won against three other agencies. Industrial Publicity Services ceased to act for Lotus at Christmas and the gap has been filled until now by Monitor.

Alders Marchant Weinreich has won three—Punt e Mes aperitif (an appointment by Bass Charrington Vintners), Givency perfumes and Allecto International galleries.

Burberry's too is looking at agencies. The wholesale side has been placed with David Hutton Associates. Where the retail side will go has yet to be decided but it is possible the same agency will get it.

Canned food manufacturer Robert Wilson and Sons, Scotland, is now with Struthers Advertising and Marketing.

Benton and Bowles has been appointed to handle Salter Housewares.

INDUSTRIAL MARKETING

Research holds a candle to the gloom

BY ANTONY THORNCROFT, MARKETING EDITOR

YOU do not need market research to tell you that the market research industry is in a bad way. Companies just cannot afford to spend money on discovering what consumers think of them, or what the prospects are for new products, or how to diversify most effectively. Even if they commissioned the market research they could not afford to act on its findings. Of course Aubrey Wilson, of Industrial Market Research, says "this is the time when companies cannot afford not to conduct research." But then he is biased.

The average gap between enquiries and the signed deal has almost doubled. Perhaps business will pick up by the end of the year but as yet there is no sign of it.

So the small band of industrial market research firms, led by the EIU, IMR, Marketing and Economic Research, Interplan and Business Intelligence Services, are having to examine their own affairs to decide how to adapt to a reduced growth rate. At the same time there is competition from consumer research firms, like BMRB, who are attracted by the untapped industrial market. But the feeling is that while consumer research is a science, based on strict data samples, industrial research is more of an art.

The reaction of Industrial Market Research to the domestic freeze has been to take its art overseas. Over 60 per cent of its work now is abroad, covering assignments for the Government of Mauritius on tourism possibilities and whether a client should build a hotel in Hamburg. BIS is very similar, looking overseas for two-thirds of its business. Marketing and Economic Research on the other hand has decided to keep itself small so that the directors can supervise every assignment. It has also concentrated on work for British companies who want to know about EEC markets (there are Government grants for such investigations), image studies, and the print industry.

But as managing director Eric Shankelman points out, "there are dangers in getting too specialised." A few years ago it was the fashion in industrial market research to corner a market—the companies who did so have since realised that they became too dependent on the prosperity of that industry. A more general approach, using the techniques you perfected in your survey of the electric pump

industry to help your study of new resins, seems to be safer. Aubrey Wilson says his desk is crammed with potential clients who are delaying decisions, and there is perhaps a middle way. Business Intelligence Services,



Aubrey Wilson

for example, concentrates in just four markets—paper and packaging, chemicals, building materials and some electrical, but reckons its expertise here makes its questionnaires welcome when they quiz companies. BIS also concentrates on joint surveys, whereby a collection of companies finance the research. In general, joint surveys are less popular these days. Companies tend to be dissatisfied with a general report, or to insist on costly private sub-reports. And for the market research companies joint surveys are costly to sell, and, to be effective, the research company must interpret the results to the parti-

cipants rather than leave them with a mass of facts. So some joint surveys succeed while others fail. IMR did well with a hydraulics industry survey which needed eight participants to break even and got 14 (and had some measurable effects—the company withdrew from the industry subsequently and another decided not to expand); but a survey on chemical plant never got off the ground.

Inauguration

Obviously joint surveys are suffering from the overall recession. The same goes for acquisition surveys. At one time industrial market research firms were inundated with assignments from clients to find suitable companies to buy. A string of losses following such purchases has dampened enthusiasm here. Unsophisticated image studies are also harder to come by but companies often request reputation studies as a first step in market research. They want to know why they have lost a particular company as a customer, or why orders are down from another. The market research firms can go to the customers and discover their real opinion of the client.

Aubrey Wilson, for one, supports this approach to image studies. "The old question of how big is our market? is not really important. What really matters is 'how are we seen?' Are we credible?" So although industrial research inside companies may have shrunk by half to around £10m. in the past two years (with the outside agencies contributing perhaps £2m. of turnover) at least the right questions are now being asked. The marketing agencies are at last getting through to capital goods companies and this means basically a market research approach.

Market research is the most important and the most devel-

oped aspect of industrial marketing. Eric Shankelman says, "even a company which has been steadily supplying a customer should constantly be investigating an alternative customer or product." He quotes the example of a supplier to a castings manufacturer who suddenly enlarges his castings and ruins the supplier. It is such examples which are making industrial companies sit up and take notice.

So the cause of industrial marketing edges forward, with market research as the catalyst. Shankelman believes that companies could carry out their own initial research, using monitoring methods, and ensuring that their salesmen act as researchers into customer attitudes. They should only call the outside firms for the more sophisticated tasks like how to price a new product or why uses are there for this or that chemical.

Beacon

And the market research firms could broaden their field of activity. Some, like IMR, already examine the effectiveness of industrial advertising, others, like IMR, are dealing with enquiries from companies for information about the areas of future business profitability (tourism has reputation control and EEC as a big potential market) and a looking at marketing services industries; the EIU is supreme in the big feasibility studies (Government); and BIS is advising American clients on the prospects in an enlarged EEC. Industrial market research remains the one tangible encouraging beacon in the murky field of industrial marketing. And at least the research has helped them to solve the major problem—recruiting holding competent staff.

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Your company's name can be put on the barrel. Your Parker dealer can give you more details, or you can ring Peter Stonehouse on 01-834 4641, or post the coupon.


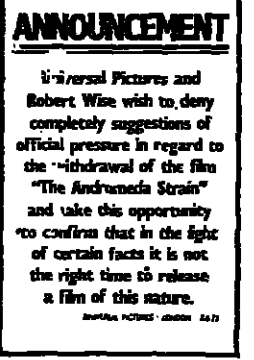
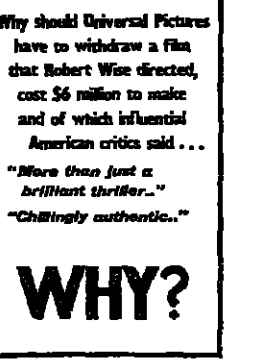
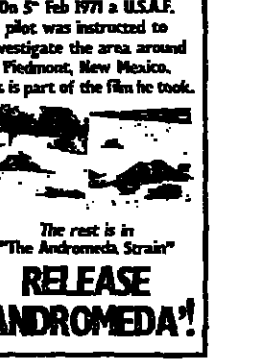
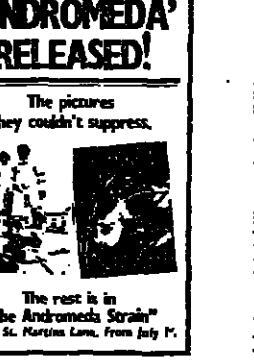

To: Peter Stonehouse, Industrial Sales Division, The Parker Pen Company, 15 Grosvenor Gardens, London, SW1.
Please send me further information together with a brochure showing full details of Parker merchandise.

Name _____
Address _____
Position in Company _____

F.T.S.
By Appointment to H.M. The Queen, The Prince of Wales, Prince Philip and The Duke of Edinburgh.



"One good way of judging an advertising campaign is to ask 'Did it get talked about?'"

 WITHDRAWN UNTIL FURTHER NOTICE MAY 29th	 ANNOUNCEMENT Universal Pictures and Robert Wise wish to deny completely suggestions of official pressure in regard to the withdrawal of the film "The Andromeda Strain" and take this opportunity to confirm that in the light of certain facts it is not the right time to release a film of this nature. JUNE 5th	 WHY? Why should Universal Pictures have to withdraw a film that Robert Wise directed, cost \$6 million to make and of which influential American critics said... "More than just a brilliant thriller..." "Chillingly authentic..." JUNE 12th	 RELEASE "ANDROMEDA" On 5 Feb 1971 a USAF plot was instructed to investigate the area around Piedmont, New Mexico. This is part of the film he took. The rest is in "The Andromeda Strain" JUNE 19th	 'ANDROMEDA' RELEASED! The pictures they couldn't suppress. The rest is in "The Andromeda Strain" Odeon, St. Martin Lane, from July 1. JUNE 26th	 YELLOW PERIL JUNE 30th
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CAMPAIGN JULY 9, 1971

CRITICISM/PRESS

Andromeda's teaser proves the effectiveness of stark simplicity

by a Creative Director

When advertising was in its first youthful flush—and largely devoted to expounding the efficacy of various patented panaceas—it tended to resemble the printed equivalent of a huckster's voice at full pitch. All black type, the bigger the better.

Then, as refinement set in, a typographical variation would creep in here and there, then a discreet little line drawing and, before we knew where we were, we were off and running. So here we are, communicating like mad all over the place and using every artefact and artifice known to man. No dimpling childish face, no mother's tear, no latent social fear is denied to us. We try every trick to catch the eye—except the oldest one of all.

Which is why Lonsdale Crowther, the people publishing The Andromeda Strain, have been very clever indeed. Realising that there is no better setting for a daisy than a bowl of orchids, they took a smallish ad and simply captioned it:

"ANNOUNCEMENT: Universal Pictures and Robert Wise wish to deny completely suggestions of official pressure in regard to the withdrawal of the film The Andromeda Strain and take this opportunity to confirm that in the light of certain facts it is not the right time to release a film of this nature. Universal Pictures—London—10.6.71".

Immediately your mind is set buzzing. A film of what nature? Denial of official pressure? Who are they kidding? When did you stop beating your wife? In short, I demand as a citizen to see this film.

Universal has produced a highly effective version of that old film advertising standby, the teaser ad. It has managed it because it's tumbled to the fact that in our high speed, high gloss world simplicity scores over clutter; but, more importantly, people have come to expect that an ad that is stark has got to be both immediate and important.

first night

The Andromeda Strain (AA) Odeon, St. Martin's Lane, tomorrow.

By FELIX BARKER
WELL, it seems that Robert Wise and Universal have overcome their much-advertised scruples.
For the last month, newspaper ads and Underground hoardings have been hinting at "official pressures" (unspecified) trying to prevent the showing of The Andromeda Strain.
It was "withdrawn," so they claimed, because this was not the right time "for a film of this nature."
Beautiful balderdash. In fact, tomorrow's opening date has long since been fixed. Wardour Street has been pulling our legs.

JARGON
The film itself is also a bit of a leg-pull — unabashed science fiction wrapped up in technical jargon.
As this sort of blarney goes, it is rather good. News suddenly breaks that a small township in New Mexico (pop. 68) has been wiped out.
A space satellite has landed there and emanates some mysterious "virus" that causes the death of everyone except an elderly alcoholic and a young baby. Their blood simply turned to powder.
But thank God for Uncle Sam. Prepared for just such an attack by the malignant forces of outer space, he has built a complex underground research station in Nevada.

KIDNAPPED
A team of leading scientists, among them Arthur Hill and James Olson, are virtually kidnapped from their homes and flown secretly to the site.
Weird and wonderful are the various stages of their elaborate preparations to deal

FILMS

with "the hellish thing"—the green, ever-growing, utterly lethal and apparently indestructible Andromeda Strain.

Like 2001, it makes one fearful for the future of mankind. I got terribly worried.
Was the U.S. President doing the right thing? What astral force was attacking us? Could we find a way to destroy it or was this the end of civilisation?
Heavens, had I time to get out of the cinema to make a will?
The ending is a bit too pat, but if you want a film to scare the hell out of you, this is it.
Evening News
Wednesday, June 30th, 1971

Why Lonsdale Crowther got Sealink advertising
British Rail awarded it to us last July.
Because we produce advertising like this campaign for Universal's "The Andromeda Strain". Advertising that gets talked about.

We're delighted. It's a big account. £400,000 of billing. And we won it in competition with big agencies.
And we're telling you about it because we think that when you've got something to talk about you should talk about it.

MISCELLANY

Yellow peril

"A" FOR ANDROMEDA.
"A" for what else? Toward the end of last month posters sprouted on London Tube stations advertising a new film, "The Andromeda Strain" (killer virus from outer space wiping out America, desert township, etc. Across each poster was a yellow sticker proclaiming "Withdrawn until further notice."

Last week, new yellow posters, smudged printed give an impression of haste took their place. "Univers Pictures and Robert Wise said," "wish to deny completely suggestions of official pressure in regard to the withdrawal of the film 'The Andromeda Strain' and take this opportunity to confirm that in the light of certain facts it is not the right time to release a film of this nature." Yesterday the same "announcement" appeared an advert in the London evening papers.
What is it all about? McCellany got on the action line and asked Universal Pictures "We have to say this," I mean said, "but it is purely advertising campaign. We are asking anybody from the press who rings up to hold saying this until the campaign is finished. We like to let it be keeping commutes happy. There are still the more posters to go up, carrying the story forward!"
"A" for Andromeda, "A" for advertising. "A" for effort.

The Guardian
Friday, June 11th, 1971

Lonsdale, Crowther Advertising gets talked about for all the right reasons.

Let Mike Keefe talk to you about
At Lonsdale, Crowther, Commonwealth House
New Oxford St. W.C.1. 01-242 33

Sterling after the summer Budget

THERE IS a case to be made for the cautious demand management policy followed by the Chancellor until this week, which put the responsibility for high unemployment fairly and squarely on trade union wage pressure. There is also a case to be made for "going for expansion." But no one except a professional politician could possibly support both what the Government was saying and doing last week and what it is saying and doing now.

As I explained on Tuesday, the shift in policy is far greater than can be explained by any change in the economic indicators or even the forecasts. It amounts to a basic shift in strategy. If the strategy that the Government followed in its first year of office was right, this week's policy is wrong; and if this week's policy is right the previous policy was wrong. There is no escape from this logical fork.

Fierce 'stop'

This volte face reminds one forcibly of Mr. Wilson's in 1966. Having spent most of his Opposition career denouncing Tory stop-go and having accused the Conservatives in the 1966 Election of wanting to increase the margin of unemployment, Mr. Wilson himself imposed in July of that year the fiercest stop ever, which was deliberately designed to produce a "shake-out" of the then prevailing euphoria for higher unemployment. One would not have minded if there had been an admission of a change of mind or of an intellectual conversion to a new view. It was the bland assumption that he was at all stages right, but occasionally

driven off course by conspiracies and bad luck, that one found so irritating.

The reasons for the present Government's change of course is of a different kind. There is every sign that the new strategy has been imposed on the Treasury against its will and is in conflict with much of the official advice reaching Ministers. The line that the Government has now followed is also profoundly un-Tory. It has followed the hook line and sinker the advice of the National Institute, the TUC and the line that Labour members instinctively put forward.

Indeed the Chancellor went much further than a responsible Labour Chancellor would probably have done in his place. Of course Mr. Roy Jenkins could hardly afford to urge a less expansionary line speaking from the Opposition front bench; but reading between the lines of his speech, one sensed that he would have refuted less, but have done it earlier and in a form that took quicker effect.

In private conversation no-one bothers to look for a profound economic reason for the Government's change of heart. Of course, there were Ministers such as Mr. Robert Carr, and one or two younger official advisers, who passionately and sincerely dissented from the Treasury line. But the main factor behind the volte face was the desire to sweeten the mood in the country before the Common Market vote in October. Boring subjects such as economic strategy are being relegated to the background. This switch in policy has come a couple of weeks after an EEC White Paper which—although largely written by the same people—jettisoned, instead of improving, the analysis of its 1970 predecessor.

Not needed

In other words, there is a very good chance that the next crisis will occur around about the time we join the EEC and will be blamed by the public on the Common Market. For it very much looks as if the initial payments cost of joining the EEC will be super-imposed on a domestically generated balance of payments deficit. Nor will a devaluation on its own be sufficient to cure the situation. For the slack in the

economy will, on the present strategy, be taken up by the home consumer, and any future devaluation will, like the 1967 one, have to be associated with a freeze and a squeeze at home. A less popular way of inaugurating

a boost to home demand and the stimulus should have been applied on the export side. No doubt Ministers hope that inflation at home will be held back sufficiently to preserve our competitive position and make a fresh devaluation unnecessary. But one must be guided by evidence as well as hope. There is no doubt that there has been a change in the industrial mood and that employers up and down the country are settling for less than they were accustomed to last winter or the previous summer. But the devaluation has been painfully slow in its overall effect. New figures have emerged which show that wage settlements (which do not allow for "drift") showed a weighted average of 8½ per cent. in the second quarter of 1971, compared with over 12 per cent. in the previous two quarters.

Can anyone in his heart of hearts deny that this modest devaluation has had something to do with the worsening unemployment situation? Moreover, one does not know how far wage de-escalation has depended on a high level of unemployment, and how far it has depended on the deteriorating trend. Even if the Chancellor had simply tried to stabilise the unemployment situation and prevent it from getting any worse, de-escalation might well have come to a stop. With the new policy of reducing unemployment and increasing the pressure on business order books, it is all too likely that money wages will eventually start rising again at rates well into double figures.

There may be a breathing space, during which abnormally rapid increases of, say, 6 per cent. in real disposable incomes and consumption may conceiv-

ably reduce union militancy. Even this will be difficult to bring about, as for some months to come the cost-of-living index will still be running at about 10 per cent. higher than a year ago. But consumption cannot rise for more than a year or two at a faster rate than the underlying growth of productive capacity; and eventually consumption will have to be reined back; and by then there will be a much tighter labour market than there is at present.

Those officials who are concerned with the balance of payments and international monetary relations, who have had a relatively easy task in the last year or two, will once again emerge into the spotlight. Moreover, with the EEC negotiations out of the way, British representatives will soon be able to break their self-imposed silence and whisper some tentative suggestions about international monetary reform.

The favourite ideas in London at the moment centre around "rebuilding Bretton Woods." Specific ideas are still a matter of personal preference. There is as yet no hard British position. But there are those in London who would like to see a deal under which official dollar balances would be replaced by Special Drawing Rights. In return, the U.S. would accept a devaluation of the dollar, which some see coming about through a revaluation by the existing EEC and Japan, joined perhaps by other countries; others believe it would have to involve a depreciation of the dollar in terms of gold. There would then have to be strict limita-

Currency implications

There are clear political attractions for Whitehall in such an outcome. If the EEC currencies and the Japanese yen are revalued, or the dollar devalued, before sterling becomes linked to the EEC, then Britain will obtain a competitive advantage through the action of other countries. Mr. Heath might then be able to claim that there has been no devaluation, in the classical terms of a reduction in sterling dollar parity. Recent upward floatations and revaluations on the Continent have already given an unenviable boost to the British competitive position, as the Chancellor admitted to the House on Tuesday.

One can be forgiven for doubting whether the outcome will be as smooth and con-

Self-created

But in the last resort, exchange rate problems superficial and self-created, real difficulties will arise. The domestic restraints required to make such parity work and, above all, to prevent runaway inflation from arising, it is difficult to believe these problems will be resolved by the CBI's attempt to act as a price policeman at its own members, any more than they will be by the jettisoning of 10 years' worth of nationalised industries on commercial footing.

Society To-day appears Page 13



MR. HEATH: a complete change of strategy.

Labour News

Substantial claim by council workers

BY ALEX HENDRY, LABOUR REPORTER

THE FIRST major pay claim since the CBI's price control proposals, and the Chancellor's mini-budget will be submitted to local government employers today on behalf of 770,000 manual workers.

Union leaders drew up the claim yesterday and Mr. Alan Fisher, general secretary of the National Union of Public Employees, said later: "We were not deterred or deflected in our discussions by Government policy. We are not concerned with promises from the Government or the CBI."

Threshold clause

They will ask to-day for "substantial" increases for their members. The amount, in money terms, will not be decided until September, two months before the existing deal runs out. They will also ask for a threshold clause—a TUC policy idea that gives automatic pay increases when the cost of living rises above a certain level.

Mr. Derek Gladwin, secretary of the trade union side, said: "If we do not get the threshold clause then our claim will have to be higher. The clause will cost nothing if the Government and CBI keep their promises about prices and the cost of living. But our members must be protected against rising inflation."

He added that the settlement last time, when they were awarded an extra £2.50 a week following the Scamp inquiry into the dustmen's strike, had already been eroded. They wanted the immediate post-Scamp position restored, plus a bit more money to improve the

living standards of their members.

Mr. Gladwin went on: "We are still at the bottom of the earnings table."

The claim also seeks improvements in holidays, service payments, progress towards equal pay and special bonus payments for all workers not covered by productivity deals. Only about 35 per cent of local government workers are benefiting from such deals, which can produce extra earnings of between £5 and £8 a week.

Union leaders representing 200,000 Government industrial workers will meet Civil Service improvement in an 8 per cent. negotiators to-day to seek an "final" offer. An improvement seems unlikely, but if it were made would be a fraction of 1 per cent.

Rough words

The 8 per cent. is just about right on the Government's pay strategy, which came in for some rough words from another union leader yesterday. Mr. Glyn Phillips, chief negotiator in local government pay talks for the National and Local Government Officers' Association, said: "At no point in these negotiations have we felt that the employers' representatives were their own masters."

He was commenting on five different sets of negotiations involving 420,000 white-collar workers in local government, the gas supply industry, New Town staffs, water supply and buses. His union's magazine commented: "Officers were convinced that in every case Government pressure had been brought to bear on the employers."

Rolls-Royce Coventry strike called off

THE three-day-old strike by 600 draughtsmen at the Rolls-Royce Parkside factory in Coventry was called off yesterday afternoon and normal working will be resumed to-day.

This decision was taken by a mass meeting after the management agreed to reinstate Mr. Dick Jones, DATA office committee chairman, who had been suspended for alleged misuse of the factory canteen during a union meeting to discuss pay.

The row was sparked off when two members of the strike committee from Fine Tubes, Plymouth, were signed in to the meeting by shop stewards to allow collection to be taken.

DATA, which has accused the management of posting two representatives in an adjoining room to eavesdrop on the meeting, sees the suspension as victimisation of Mr. Jones who played a leading part in last year's 13-week pay confrontation and who is currently leading further pay negotiations at the plant.

A company spokesman said last night that the suspension had been lifted as a result of assurances concerning the future conduct of meetings on company premises, but Mr. George Hope, DATA district official, doubted whether further meetings would be held inside the factory.

There were no references in

Talks soon on problems P.O. faces in price restraint

BY HAROLD SOLTER, INDUSTRIAL CORRESPONDENT

THE POST OFFICE committed with the other nationalised industries to keeping price increases below 5 per cent. over the next year, is currently losing £1m. a week on the postal side of its business and falling well below the target of a 10 per cent. return on net assets which it needs to maintain essential investment in the telecommunications field.

Discussions are about to start between the P.O. and the Ministry of Posts and Telecommunications on the problem it faces in trying to observe voluntary price restraints on the lines suggested by the Confederation of British Industry while preventing a further deterioration in its finances and in the service it offers.

The feeling within Whitehall is that these talks with the Ministry are likely to be prolonged. It is generally recognised that the P.O. faces real and pressing problems.

Changes planned

Following its £25m. loss in 1969-70, the P.O. had a further and heavier postal deficit in 1970-71, made worse by the £25m. in lost revenue incurred as a result of the six-week strike

earlier this year. The full extent of last year's loss is not yet known.

In the current financial year, which began in April, the P.O. began to bear the expense of the 9 per cent. pay settlement which brought the postal dispute to an end. This will cost some £20m. and bring the P.O.'s losses on the postal service up to a minimum of £50m. unless there is a price increase or a drastic cutback in its services.

A series of important changes in the postal service are being put to the Ministry, designed to cut out or limit loss-making activities.

Difficulties on the telecommunications side of the P.O. business are no less acute.

The Post Office's aim is to carry out £2,700m. of capital investment over the five years from 1970 to 1975, equivalent to expenditure at the rate of about £1.5m. a day.

To do so it needs to meet a financial target of a 10 per cent. return on net assets so that it can cover at least half, and preferably 60 per cent, of the cost from its own resources.

At the moment it is not obtaining this 10 per cent. return and is unlikely to do so without a

price increase on telephone rental or call charges or both.

In the Commons yesterday, Mr. Christopher Chataway, Minister for Posts and Telecommunications, confirmed that no increases in postal or parcel rates had been arranged with the P.O. for this year.

Another step towards Lockheed subsidy

BY JOHN GRAHAM, U.S. EDITOR

WASHINGTON, July 21.

LOCKHEED and Rolls-Royce are one step nearer Federal subsidy for the L-1011 programme as a result of action in Congressional Committee this morning.

The House Banking and Currency Committee decided to drop consideration of the relevant Bill before it and approve instead the Federal Guarantee Bill already passed by the Senate Banking Committee.

This means that the two Houses of the Congress will soon vote on identical Bills, thus saving a good deal of time and improving Lockheed's chances considerably.

Both Houses will vote on a \$2,000m. authority for the Government to guarantee emergency loans. The guarantees would have to be approved by a three-

man Board, consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Bank and the President of the Federal Reserve Bank in whose district the prospective borrower was located.

Thus the Administration would have only one member on the Board, rather than the two proposed by the White House in the original Lockheed Bill.

Nevertheless, day's speed-up in the House Committee makes more likely a positive vote by the summer recess, scheduled for August 6.

The Senate hopes to be able to take the Bill to the floor this week, though Lockheed's opponents, especially Senator Proxmire, are still trying to block the Bill by parliamentary devices.

Saleroom

\$106,018 for Old Masters

AT SOTHEBY'S yesterday a sale of Old Master paintings realised £106,018. Rogers gave £8,000 for a Still Life by Jan Davidsz de Heem, Leggett £2,700 for a pair of Southern river landscapes by Jacob Philipp Hackert, and Leger £2,600 for The Mary Zoon Encouraging Senen Algerian Pirate Ships attributed to W. Van de Velde the Younger. A village scene by David Teniers the Younger went to Pollak, a group of peasants outside an inn attributed to J. Miel to Wright, and a still life attributed to P. Claesz to Silver, each for £2,000.

In a sale of coins and medals at Sotheby's Hearn pal d£1,350 for a set of 15 Victorian coins, 1838, £1,300 for a set of 14 William IV Coronation coins and £880 for a set of four George IV gold coins, 1826, all these being specimen sets, and also £860 each for an 1831 Russian Nicholas I platinum 6 roubles, and a Scottish James VI sword and sceptre gold piece, 1602. Chome gave £1,100 for a 1733 Mexican Philip V pillar 4-reales.

A silver sale totalled £36,793 at Christie's. A 60 oz silver tapering cylindrical coffee pot by Thomas Williamson, Dublin, 1730, went for £2,700 and a set of four table candlesticks, (106 oz) by Richard Calderwood, Dublin c. 1785, for £1,800, both lots to Bloom. A 134 oz epergne by Enalik Romer, 1779 sold to Porter for £1,400.

Christie's sale of oriental books totalled £22,991. Djawadi paid £3,000 for a Shahnama and Barznama Persian manuscript by Firdausi

£5 three-day Paris holiday

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SKYWAYS International, which runs the coach-air-coach services to Paris, is offering in conjunction with Paris Travel Service £5, three-day (two-night) holidays in Paris this winter—believed to be the cheapest foreign holiday yet made available from this country.

The £5 holidays will cover departures from London (Victoria Coach Station) on Mondays, Tuesdays, Wednesdays and Thursdays. For departures on Fridays the cost will rise to £8. The plan has been put to the Air Transport Licensing Board for approval.

For this sum, the traveller will get coach-air-coach travel between the centre of London and the centre of Paris, and two nights accommodation in a one-star or two-star hotel with Continental breakfast. Transfer between the terminal in Paris and the hotel will be added.

About 45 hotels have been selected for the holidays by Travel Service, all broad, the central or near central of Paris.

The dates planned for operation of the holiday are from January 3 to March 17 and from October 9 to December 15, 1972. Departures from London will be at 0800 arrival in Paris at 1300.

This announcement appears as a matter of record only.

Bank Markazi Iran

(Central Bank of Iran)

\$150,000,000

\$100 million 6 month credit
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edit

Mr. Pickard answers DTI criticisms

AT THE annual meeting of the British Printing Corporation held in London yesterday, director Mr. Michael Pickard made the following statement about points raised in the report of the Department of Trade and Industry's inspectors into the affairs of Pergamon Press and International Learning Systems Corporation.

A number of specific criticisms have been made by the inspectors about the actions I took in my capacity as finance director of British Printing Corporation in the formation and first year's activities of International Learning Systems Corporation.

In view of both the remarks of the inspectors and the subsequent Press comment I would like to make the following specific points:

(a) I was unaware of a substantial proportion of the evidence given by Mr. Le Bas and find that I have not in complete agreement on a number of vital issues.

(b) As finance director of BPC, I was continually telling Mr. Le Bas that the corporation could not sustain the high level of finance and debt because of the heavy losses incurred by the company. I urged Mr. Le Bas to take positive action either by way of rights issue or sale of the company.

(c) I informed Mr. Le Bas clearly and precisely that BPC was unable to bid for Caxton Holdings due to our own very substantial over-borrowed position. There could have been no reason for Mr. Le Bas to be in doubt on this issue.

(d) Mr. Le Bas personally expressed to me his pleasure

and relief at BPC's new involvement in the company and the first time BPC was aware of contrary comments was in December, 1967, including the transfer of shares and the payment of money. The inspectors in their Report themselves concede that the auditors and the Inland Revenue would have had no grounds for treating the accounts differently if the agreements had all been dated with the date on which they were executed.

They also go on to say that they are satisfied that there was no intention on anyone's part to defraud anyone and no one was deceived. It could just as well have been said that they had no intention to deceive anyone and no one was deceived. It is more difficult to see how I could have been more forthcoming in my evidence.

It is alleged that the first interim dividend was paid otherwise than out of profits. The body of the report refers to the evidence of the BPC directors on the ILSC Board, including myself. I took considerable pains to see that the payment of the dividends came within the level of profits warranted by Pergamon Press Ltd.

The inspectors state that contrary to the Directors' belief at the time such profits would not have been available for distribution, but we have obtained leading Counsel's opinion confirming that warranted profits are profits available for distribution. The second dividend was again approved by the BPC Directors on the ILSC Board similarly against the background of the warranty of profits referred to above and they gave evidence accordingly.

However, in the final accounts for 1968 for BPC, the second dividend was not credited to profit and loss account but as a matter of prudence was carried to reserves. This decision was taken because the audited accounts of ILSC were not available at the time of the completion of the BPC accounts.

The Annual Report and Accounts for BPC for the 52 weeks to the end of December 1968 are criticised for an inaccurate rate relating to the treatment of dividends. This point was never put to the company. Notes 3, 9 and 11 to the Accounts explain the matter precisely, clearly and correctly as should have been evident to the inspectors.

The whole Report appears heavily influenced by the benefit of hindsight and whilst it is accepted that it was a mistake to become partners with Pergamon Press without obtaining any part of the Executive Management responsibility, I and other BPC directors maintain that they acted properly throughout the transaction.

APPOINTMENTS

Board changes at RTZ

Mr. R. H. Carnegie, Mr. F. F. Espie, and Mr. R. T. Madigan, have been appointed to the Board of the RIO TINTO-ZINC CORPORATION.

Mr. Carnegie is joint managing director of Conzinc Rhotinto of Australia. Mr. Espie is a director of CRA and chairman of Bougainville Copper Pty. Mr. Madigan is a director of CRA and chairman and managing director of Hamersley Iron.

Sir Maurice Mawby, chairman of CRA and Mr. A. J. Rew, joint managing director of CRA, are retiring from the Board of the Rio Tinto-Zinc Corporation, having relinquished their executive responsibilities with CRA.

Mr. Rowland Landman who recently retired from the main Board of First National Finance Corporation, has been appointed a non-executive director of REFUGEE SECURITIES.

Mr. R. Black has become deputy managing director of CAMPARI and Mr. Benjamin is now sales director.

Mr. B. Bowler, Mr. J. Napier-Fanning and Mr. N. Hoep have been appointed associate directors of CLARK AND PENN (HOLDINGS).

Mr. R. Jolly has been appointed managing director of WELLMAN INCANITE FOUNDRIES, a member of the Wellman Engineering Corporation.

Mr. Richard H. Amis has become chairman of Booth Concrete.

Mr. Clive L. Bearn has been made chairman of T and E Homes, Tickner and Emmerton, Mantion Developments, Unit Construction (Southern) and Booth Mechanical Services (Southern). Mr. Amis and Mr. Hoep are the managing directors of Alfred Booth and Co., the parent concern.

Mr. Michael Reles, chief aviation broker of F. BOLTON AND CO. (HOLDINGS), has been appointed a director of the company. Mr. P. S. Stephens has joined the Board of F. Bolton and Co. (Foreign).

Mr. Derek G. Jay has been appointed a director of ROBINSON AND GARDNER MOUNTAIN (LIFE AND PENSIONS).

Mr. Victor J. A. Underhill has been appointed director of accounting in the Finance Division of STERLING-WINTHROP GROUP.

Mr. Denys E. Petchell has been appointed to the Board of ORBIT HOLDINGS.

Mr. James Ryder, general manager and a director of Smith's Dock, part of the Swan Hunter Group, and Mr. James Ogden, a partner of Boote Edgar and Co.

have joined the Board of TURNBULL MARINE DESIGN COMPANY.

Mr. Ryder also joins the Board of Ross Turnbull.

Mr. Donald E. Taylor, senior partner of Weatherall Green and Smith, has been appointed a director of OLYMPIA.

Mr. John Brassington has joined the Board of TRAFFORD PARK ESTATES as managing director.

Mr. J. J. Watt, a manager, has been appointed to the Board of the UNION DISCOUNT COMPANY.



Mr. J. J. Watt

PANY OF LONDON. He is the fourth executive of the company to be made a director in recent years.

Sir William Beale, who is reducing his business commitments on medical advice, has resigned as chairman and from the Board of STAPLEGREEN INSURANCE HOLDINGS, from July 31.

Mr. Francis L. Perkins has been elected chairman from August 1, and Mr. J. D. Spooner deputy chairman with immediate effect. Mr. M. P. Abbott has been appointed a director from August 1. Sir William will not be seeking re-election to the Board of Melbury Group at the next annual meeting.

Mr. S. L. Elkington, secretary and financial controller of the SHEFFIELD TWIST DRILL AND STEEL COMPANY, has been elected to the Board of that company.

Mr. George Ritken has been appointed marketing director of LANSIL.

Mr. H. T. W. Jenks has resigned as a director of ROBT. BRADFORD (HOLDINGS) because of ill-health.

Mr. E. M. Williams has been appointed to the Board of SAGITTAR as deputy managing director.

Mr. J. A. Hunter has been appointed a director of UNITED BRITISH SECURITIES TRUST.

New survey of Greater London transport

Financial Times Reporter

A NEW Greater London Transport Survey is to be held later this year and in 1972, almost a decade after the original survey. The object is to produce an up-to-date and detailed picture of movements within and around Greater London.

The results will be used to check previous forecasts of traffic patterns, based on the 1962 survey, and to influence the future implementation and priorities of the GLC's transport policies.

Interviewing, which will begin in September, will cover about one in 40 households—or some 80,000 households and 200,000 persons—7,000 hotels and guest houses, and 3,000 goods vehicles.

The questions will include details of every journey made the previous day, with, in the case of household and hotel occupants, certain background information—such as occupation, income range, and car ownership—as well as to relate travel patterns to the circumstances of the people making them.

Because of recent public sensitivity towards census questions, the organisers of the London Movement Survey—a company specially formed for the operation by the GLC and two firms of consultants—are to make clear that the interviews are voluntary and that special efforts will be taken to ensure the confidentiality of the answers.

So as to include people travelling into Greater London, roadside interviews will be sought from a 20-25 per cent sample of vehicle drivers using certain roads running into the area. Rail travellers will be covered by a separate survey planned by British Rail, while London Transport is considering holding a similar survey of Underground users.

Results of the survey, which will cost about £475,000, are expected to become available towards the end of 1972.

£83 Atlantic air fare hopes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THERE ARE now stronger hopes in the air transport industry that the North Atlantic airlines, who are in Montreal hammering out a new fares structure for the route, will eventually agree on a \$200 (about £83) "Advanced Purchase Excursion" (Apex) fare.

The conference, which has been in session now for over three weeks, has been and still is the toughest that many experienced fares negotiators in the International Air Transport Association can remember.

From the limited amount of information coming out of the talks it seems clear that considerable progress has been made towards including the new "Apex" fare in a broad new "package" of Atlantic fares.

There is still a long way to go, however, with many details of the prospective "package" still to be worked out—such as the conditions that will be attached to the "Apex" fare. These include how far in advance it will have to be booked and the question of refundability in the event of cancellation.

It is thought likely that the talks will continue for about another week. Earlier fears of a possible "open rate" or "free for all" situation—arising from a walk-out by some airlines if they did not get their own way seem to have receded, although even now such a possibility cannot be entirely dismissed.

Other innovations

It is hoped that any eventual fares "package" emerging from the talks will include other innovations. One of these under discussion has been a special "convention fare," that would be available to people on both sides of the Atlantic wanting to fly to attend specific conventions.

The introduction of senior citizens' fares, corresponding in price to the "youth fares" already on offer, has also been under discussion, as have special "group inclusive tour" and "affinity group" fares—so far with no agreements reached. What is apparently pushing the

airlines—some of them reluctantly—towards the new lower fares is the knowledge that if they do not agree, the biggest airlines, such as BOAC, Pan American, Trans World and Air Canada, would be capable and ready to go it alone—although they do not want to be responsible for breaking up the conference if it can possibly be avoided.

The view that the overall system under which the air transport industry operates needs changing was expressed in London yesterday by Mr. Eric Hanks, managing director of Clarkair International, the air-broking concern.

Cut-price tickets

He told a meeting of overseas managers at Clarkair's City offices that penalising illegal traffickers in cut-price air tickets was not enough. It was tackling the problem at the wrong end and at the cost of antagonising many people who saw nothing wrong in having cheap air travel offered to them.

Mr. Hanks said the authorities were encouraging a system which lent itself to the maintenance of artificially high prices, which in turn gave rise to people "bending" the laws governing the sale of air tickets, especially for charter flights.

"The Governments have not looked broadly at restrictive legislation, and when they initial IATA resolutions, they must begin to look rather more at the real public interest," he said. "If airlines are encouraged to bring in more common low-level fares through greater efficiency, they can better fill their spare capacity—and the wildcat price cutters would soon go out of business."

While sympathising with these members of the public who bought the cut-price tickets, it would be "healthier for everyone" the sooner the rackets were halted.

For while the public might easily be persuaded to part with their money for the promise of a cheap air flight, there could be no guarantee that these people would not be turned off new planes by Department of Trade and Industry investigators are left stranded, or lose their money for other, less obvious, reasons.

Lord Geddes attacks hotel registration plan

BY ARTHUR SANDLES

A SHARP rejection of proposals for hotel registration, classification and grading in Britain came yesterday from Lord Geddes, newly elected president of the British Hotels and Restaurants Association. He described the campaign for registration as "bureaucratic nonsense."

Details of some form of registration scheme in Britain are being hammered out by the regional tourist Boards in consultation with the British Tourist Authority. Hoteliers have been fiercely opposed to such plans since they were mooted.

Lord Geddes was speaking at the association's annual meeting. He first rounded on the Press and accusations about London hotel prices. He said that in his experience, "London undoubtedly boasts a wider variety of hotels than does any other European capital."

Like for like, she offers equally as good a value in terms of accommodation, standards, and service."

Turning to registration, he said: "One begins to see the shade of an army of inspectors, with their own individual views as to what is good or bad or indifferent and what is good for the student may be bad for the wealthy widow or vice versa. But this army of inspectors may cost as much as £1m. a year. Who is to pay for it and to what advantage?"

Moreover, a hotel which was inspected in November and came under new management in February by August will be something quite different from that which is recorded in the bureau's list.

"I think, and have always thought that this campaign had an underlying tone of 'jobs for the boys' and I think that it can be positively counter-productive so far as the hotel industry is concerned."

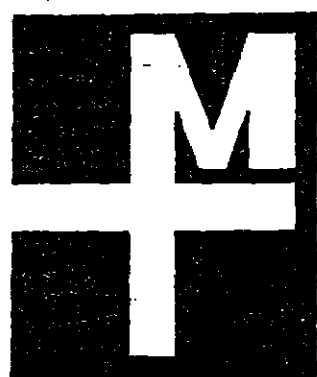
"In a community which advocates freedom of choice," he said, "in which resale price maintenance has been abolished for the retail sector, why should one section of the service industry be subjected to price controls? Prices find their own level in a competitive market and the current expansion rate of London hotels has ensured that this will be an extremely competitive area indeed."

ALLIANCE HOME LOANS UP

An increase of 81 per cent in home loan advances during the first six months of 1971 is reported by Alliance Building Society. Advances to home buyers in the period were £38m., compared with £20.8m. in 1970.

All these Shares having been sold in the United States, this advertisement appears as a matter of record only.

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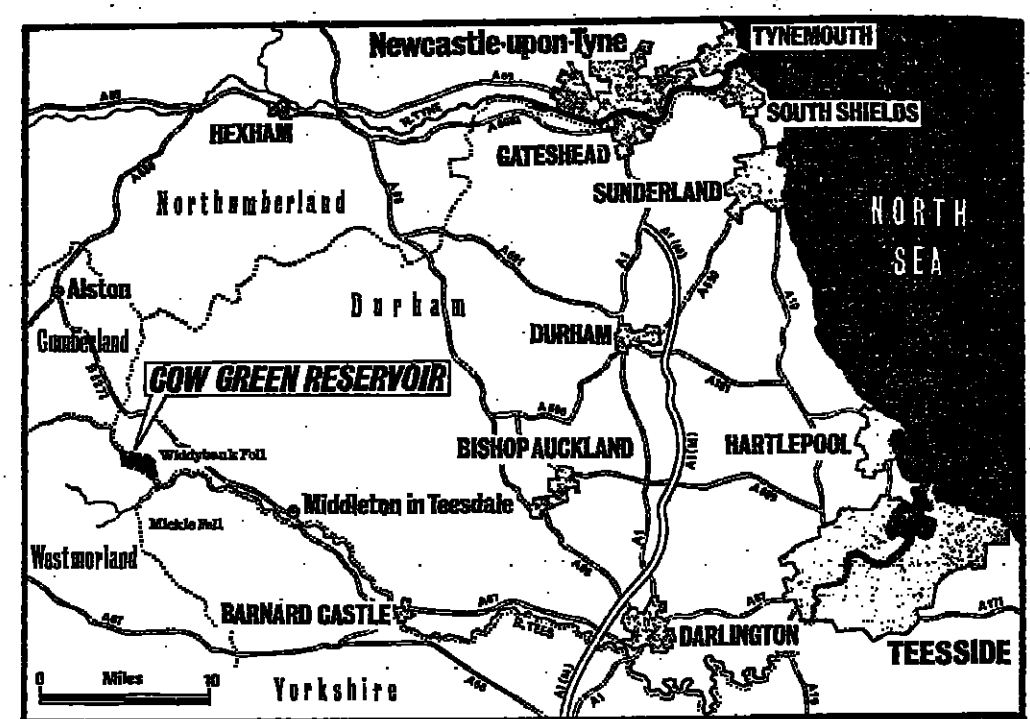
(Par Value \$1.33 1/3 Per Share)

Price \$28 Per Share

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COW GREEN RESERVOIR

This special page has been written by Andy McElroy to coincide with to-day's official opening of the reservoir.



Meeting Teesside's needs

Reservoirs, at first sight, appear to be no more than a series of holes in the ground, and they lack the spectacle and obvious technical content of other construction achievements such as a major bridge or motorway. But this is deceptive, and the history of the design and construction of Cow Green Reservoir shows the great expertise needed in successfully completing a project like this. It also demonstrates quite convincingly that when the need is an experienced and astute consulting engineer can make a success of even the most unpromising site. Ten years ago, on the existing evidence, using the Cow Green site as a reservoir seemed about as sensible as, in the old High-land saying, "Baling the sea with a creel." And for more or less the same reasons. The story of the site goes back to the 1930s, when it was first

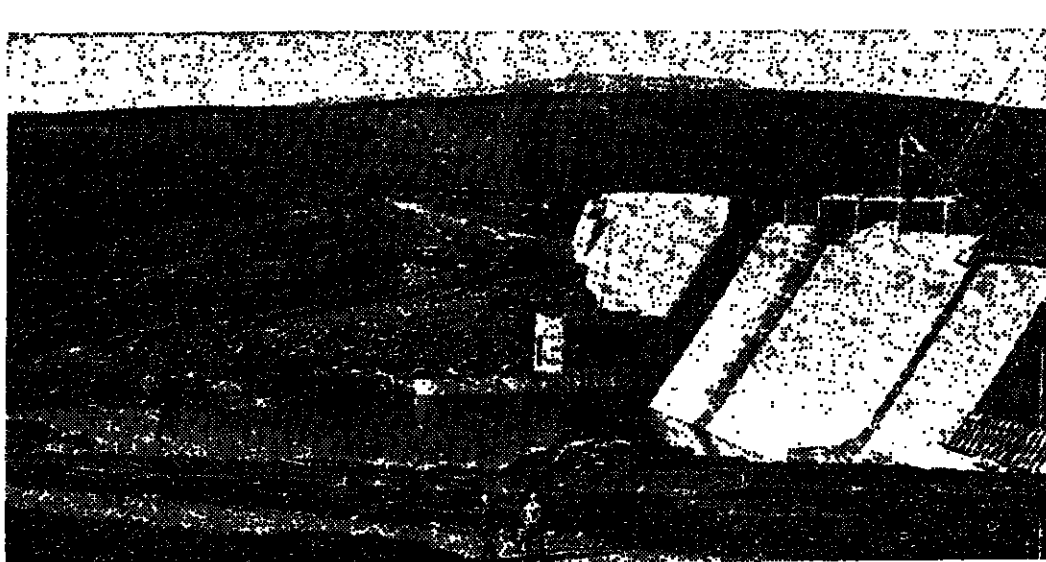
perfunctorily investigated for the construction of a pumped storage hydro-electric project. This idea was abandoned before any worthwhile information had been gathered. During the 1950s, increasing demand for water in the Tees Valley area led the then Tees Valley Water Board (now the Tees Valley and Cleveland Water Board) to commission a further investigation of the site. Because of shortage of time, this investigation was less thorough than would have been the case in other circumstances. It showed that there was a danger of leakage of water from the area, through limestone and old mine workings, into the adjacent Harwood Beck Valley. Geological investigation showed that there was a water-retaining whin sill, and that if the level of the water was kept below the top of the sill there would be no leakage problem. But, on the evidence available

then, and because of other considerations, it was decided that it would be unjustifiable to go on with the site. At the time, a reservoir was proposed and built on the alternative Balderhead site. Eight years later, however, increasing demand for water caused the board to look again at Cow Green. This time there was less urgency about the investigation, and the consulting engineers, Sandeman Kennard and Partners, were able to look at all the factors affecting the suitability of the site.

Weather conditions
Among these factors was the level of the existing water table in the area, and a detailed study showed that this would be high enough even under unfavourable weather conditions to prevent leakage. During the preliminary work, the consulting engineers drilled 6,240 feet of 3 inch diameter boreholes and 715 feet of large diameter boreholes to take water level recorders. All the holes were instrumented for continuous monitoring of site conditions. Although opposition to the flooding of the site was strong, from naturalists and preservationists, the geological evidence presented at the inquiry swung the argument in favour of proceeding with a reservoir. Accordingly, contracts were placed with Sandeman Kennard as consulting engineers and with Mitchell Construction for building the dam.

Dam design was dictated largely by the geological conditions, shortage of time, and the weather prevailing in the area. At the west side of the proposed dam line the foundation was a clay bed, and was therefore unsuitable for a concrete wall. Thus the consultants were faced with the need for an earth bank in this area. However, since there were only three years in which to complete the project, it was decided to use a concrete dam for as much of the length as possible, since it is, of course, much easier to place concrete than clay in bad weather. But this necessity carried with it an incidental advantage, since the spill weir could be incorporated in the concrete part of the dam rather than being designed and built as a separate structure. Before construction of the earth dam started, drainage channels were cut to dry out the clay bed. This allowed the clay to consolidate, forming a stable base for this part of the structure. All the materials for the earth structure, boulder clay, alluvial gravel and quarried whinstone were obtained by Mitchell from the reservoir area, a factor that considerably reduced the disfigurement of the surrounding countryside.

Earth dam
Overall, the dam rises to a height of 82 feet. On the earth dam alone, this meant that the contractor was faced with a total excavation of almost 1m. cubic yards of material of one kind or another, and the cutting of 57,000 feet of sand drains. On the concrete section, a total of 65,000 cubic yards of excavation was required, divided almost evenly between soft earth and rock. The timing of the contract left little leeway for the contractor, since most of the work had to be completed in three summer seasons running, because of the climate, only from May to November. As in several of its other contracts, Mitchell showed that when it came to placing concrete, it could break records.



Design of the dam at Cow Green is such that the concrete structure extends for a short way beyond the spillway as shown in the photograph, and is then taken up by the earth embankment. This type of construction was dictated by the peculiar ground conditions.

it would have been easy to miss a snag that would have caused extensive delays to construction, a circumstance that crops up more often than is realised. Benefits to the community at large from this contract fall under two main headings: increased water supply and increased knowledge of dam and reservoir construction and design.

Sorely needed
Capacity of the reservoir is 9,000m. gallons, sorely needed for the expanding needs of industry on Teesside, and will increase the resources of the Tees Valley and Cleveland Water Board by 35m. gallons per day, to a total of 100m. gallons per day.

In addition, Sandeman Kennard has fully instrumented the dam, so that there will be a continuing flow of information on the behaviour of the structure under different operational conditions. This, according to Mr. Michael Kennard, will contribute substantially to the body of information available on dam design, which will be applied in future work. The importance of this should not be underrated. Britain is, despite the lavishness of the heavens at all times of the year, facing an increasing shortage of water. It is a shortage that must be met, but which is often opposed by local interests because of the loss of valuable land. Cow Green has shown that these conflicting requirements can be met by scientific investigation and clever design, while its lessons will go on proving valuable for many years to come.

COW GREEN RESERVOIR ACCESS ROAD

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Serious attempt at conservation

If one took everything at face value it would be easy to assume, from the amount of investment thrown about, that the whole aim of contractors and the various local and government authorities—coupled with the demon big businessmen—was to despoil as much of the countryside in as short a time as possible. Admittedly there are cases where some of the most pleasant parts of Britain have been disfigured by civil en-

gineering, but Cow Green has shown what can be done by an enlightened approach by all concerned. Primarily, the credit for this must go to the Tees Valley and Cleveland Water Board, which resurrected the unpromising Cow Green site rather than using one of the alternatives. The site of the reservoir, although of great botanical interest and scenic beauty, was used solely for grazing sheep. No dispossession of residents was involved, and no farmer was losing valuable agricultural land.

In drawing up a plan for the reservoir, the board stipulated initially that the waterfalls of Cauldron Snout and High Force, downstream from the dam, should be preserved. This would maintain the attraction of the area for recreation, and as part of this approach the contractors were asked to interfere as little as possible with the land around the reservoir. Botanists were, in the initial inquiry stages, concerned about the effect of the works on the flora, since the area is the habitat of rare plants that have survived since the last Ice Age, 15 to 20 thousand years ago. Nobody is ever completely satisfied, but it is fair to say that the reservoir, now that it is completed, enhances rather than diminishes the attractiveness of the area, and that the interests of botanists and naturalists have been substantially protected.

Extra cost
This has not been done without extra cost and extra difficulty for all concerned. As an example, Mitchell Construction, the contractor, placed almost all its plant on the reservoir bed, while the access road, constructed by Brims of Newcastle, again is concealed by reservoir water. So the contractors have effectively washed away their sins.

Another unusual aspect of the scheme is that the Board appointed, at its own expense, a Site Research Officer, who acted as a liaison man between scientific interests and the consultants and contractors, to ensure that scientific value of the area was preserved, while work was impeded as little as possible. The effectiveness of this measure can be gauged by the fact that once the work had started there was little conflict, and that any differences of opinion never grew to serious proportions. One of the chief reasons for the reservoir is to satisfy the demand for water by the ICI

factories at Billingham and Wilton, and this company, which already spends an enormous amount of money in both research and application of conservation policies, promised at an early stage in the work to contribute £100,000 over a period of ten years to finance scientific research in the area. Cynics have said that this is merely a sop to divert criticism, but if all the scientific Cereberuses were in receipt of sops of this size research would be much better funded than at present.

Positive aspect
Illustrating the prevention of damage to the environment is one aspect of this work, but the positive values must also be considered. That the area needs water is undisputed, as is the effectiveness of the reservoir in providing it. But there is a positive aspect. Beauty may be in the eye of the beholder, but there is much to be said for the addition of a lake, artificial or not, to the area. Like Loch Sloy, created in the Western Highlands many years ago, this reservoir has greatly improved the attractiveness of the scenery for many people. On top of this, with an area of 770 acres, Cow Green Reservoir can provide fishing and sailing for many of the residents of the industrial north-east, which badly needs such facilities.

Obviously, there will be a change in the ecological pattern of the district. This is inevitable. Any alteration of the environment, even cutting down a single tree, is bound to cause some alteration, no matter how minor. But despite the general assumption that all changes must be for the worse, there will be a positive advantage for naturalists in that the creation of a lake in this area will attract different species of water fowl, as has happened before in similar circumstances. Any development has its critics, and the incidence of such criticism is bound to increase as Britain tries to satisfy the conflicting demands of a growing population and a shrinking countryside. During the next five years there will be many attempts to evaluate the advantages and drawbacks of any major public works, in terms of overall value to the community. Cow Green has shown how reasonable care and preliminary thought can reconcile the two sides of the nation's needs. In many ways it will be a blueprint for schemes of the same kind undertaken in the years to come.



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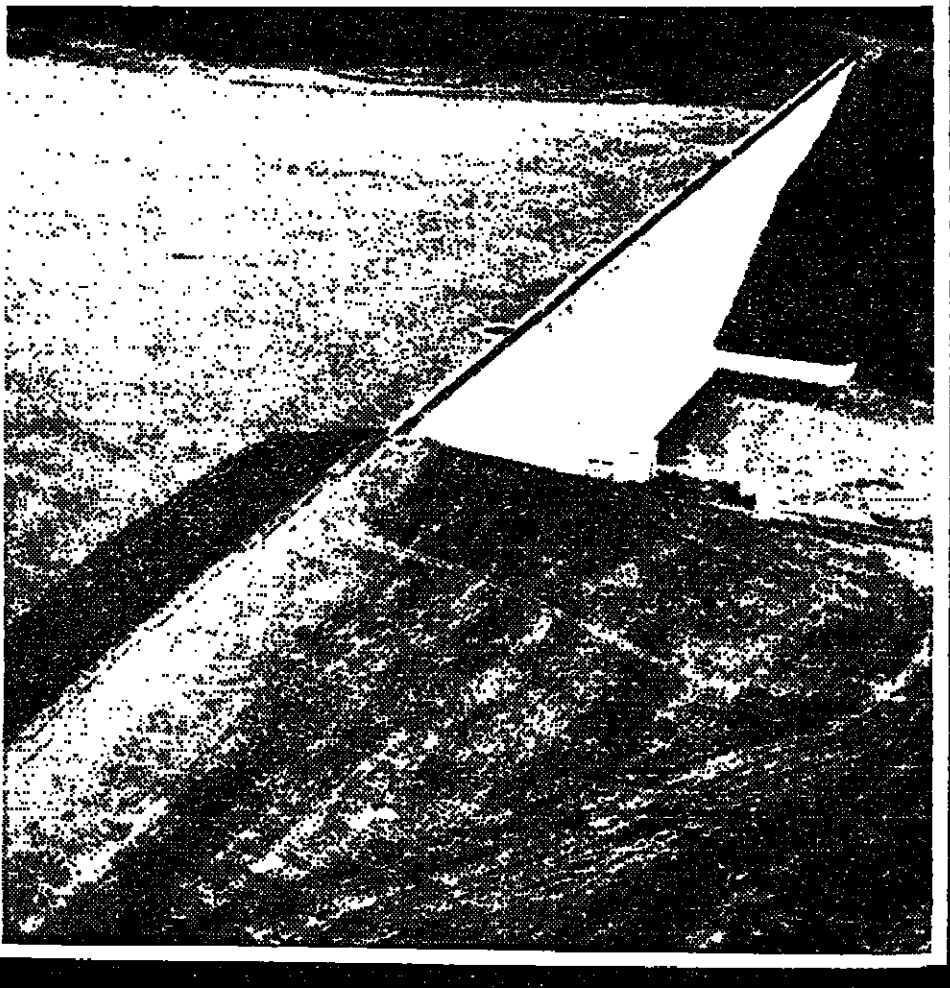
Cow Green reservoir, constructed by Mitchell Construction for The Tees Valley and Cleveland Water Board has several distinctive features. Foundation geology dictated the design of the 1,900 ft. long dam—an unusual combination of earth and concrete construction.

The reservoir regulates the head waters of the River Tees to provide a consistent supply for Teesside's growing and thirsty industries. It's 9,000 million gallons of water form the highest major reservoir in the country with a top water level 1,600 ft. above Ordnance Datum.

Consulting Engineers: Rofe, Kennard and Lapworth.

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COALITE AND CHEMICAL PRODUCTS LIMITED

A report of the fifty-fourth Annual General Meeting held at the Dorchester Hotel, Park Lane, London, W.1, on Wednesday, 21st July 1971.

Statement by the Chairman
Mr. Francis L. Waring

Directorate
Having succeeded Commander Colin Bult as Chairman of your Company at the end of 1970 it is my privilege to refer to the events to which the accompanying Report and Accounts relate.

Commander Bult served as a director for nearly 42 years. He brought range and special qualities to the Board Room but it was not until he became Chairman in April 1969 that he was able to use those qualities to the full. His leadership as Chairman was such that he gained the respect, loyalty and affection not only of his boardroom colleagues but of every employee of the company. It will be my endeavour to ensure that the resultant team spirit, of which we are very proud, is fully maintained. It is good to know that the services of the Commander continue to be available in a consultative capacity. It will give me considerable personal pleasure at the forthcoming Annual General Meeting to propose that Colin Bult becomes the first President of the Coalite Group. I know that this will be received with acclamation.

We are fortunate that The Rt. Hon. The Viscount Ward of Witley, with his great experience of business and public affairs, accepted the invitation to become Deputy Chairman. His shrewd judgement and wide knowledge will be invaluable in that capacity.

Now I must draw your attention to the appointment of Mr. A. Goodsell and Mr. N. Flack to be Joint Managing Directors of Coalite and Chemical Products and also of the operating subsidiaries. Their experience and complete knowledge of our business will, I am confident, ensure the continued prosperity of your company.

General Review
It is disappointing and frustrating to have to record a reduction in profit before taxation when another modest record had been expected. This is due to a variety of reasons beyond our control. The year started badly. The labour difficulty to which the previous Chairman referred in his Statement last year caused a marked reduction in output during the first half of April, but I am glad to say that apart from one or two minor incidents there has been no recurrence of what, to us, was an unusual happening. In the autumn, labour difficulty in the South Yorkshire Coalfield led to a shortage of coal and to a reduction of output at Askrigg and Grimethorpe. For the same reason the starting up of the first Grimearthorpe retorts of the Grimearthorpe extension was delayed. The financial effect of the reduced output was aggravated by the need to bring coals from more distant coalfields.

During the summer of 1970 the demand for solid smokeless fuels was high and the volume of gas coke available was decreasing. The unfortunate delay in building new plant to meet the situation was causing much anxiety about winter supplies. To avoid a crisis the Government, supported by producers and distributors alike, introduced emergency measures.

Local Authorities were allowed, on request, to lift the ban on the sale and burning of smoky fuel in certain clean air zones. The introduction of new clean air zones was deferred and the ban on the import of solid smokeless fuels was removed. Subsidised by the Government some Gas Works due to close were retained in operation during the winter. The effect of all these measures, together with one of the mildest winters this century, resulted by the middle of February in a surplus of solid smokeless fuel. Whilst the distributors cleared stocks built up to meet the expected crisis, we had to put quantities of Coalite into ground stock at each works.

Encouraged by the recent pricing policy, bituminous coal has been mined and burned in clean air zones to a greater extent than originally expected. On several occasions when the price of bituminous coal was low, the prices of carbonisation and/or industrial coals were increased, the prices of domestic coals were left unchanged with a substantial widening of the price gap between smoky and non-smoky domestic solid fuel. This led to the sale and burning of bituminous coal in clean air zones even where the ban on such burning had not been lifted.

Changes in Taxation
Based on a bird in the hand being better than two in the bush, we were disappointed by the removal of Investment Grants in the October 1970 special budget. This was a matter of concern in relation to the immediate effect on the capital cost of the new Rosington Works. In saying this, however, it is only reasonable to add that provided there are adequate profits to absorb the alternative Capital Allowances and also provided that the reductions in Corporation Tax on profits are maintained the overall effect of the new arrangements should not be less favourable over a period of time.

The reduction of 50% in the effective cost of S.E.T. in July will, in our case, be approximately equal to the substantial increase in employers' National Insurance Contributions commencing in September 1971. There will, of course, be a modest cash flow advantage in that those S.E.T. payments which are repaid at quarterly intervals will also be reduced by 50%, reducing by half this interest-free loan to the Government.

Finance
Including interest receivable, profit before tax totalled £4,611,898 compared with £4,802,983 for the previous financial year. Interest receivable at £185,076 was again unusually high due to short-term investment of funds at relatively high rates pending their employment on capital expenditure.

Including £610,171 deferred by capital allowances and after a credit of £218,240 from change in rate of tax, taxation totalled £1,611,207 compared with £2,134,597 for the previous accounting period. Net profit after taxation totalled £3,000,691 compared with £2,667,386. As is to be expected depreciation continues to increase and totalled £1,071,489 against £897,853. This, together with the net profit provided a cash flow of £4,072,150 compared with £3,555,219.

The increase in the value of manufactured stocks (Coalite, oils and chemicals) is mainly due to the need to put quantities of Coalite into ground stock during the later weeks of the period under review. The increase in value of manufacturing and general items was chiefly accounted for by the unusually high stocks of coal that were accumulated as a safeguard against possible difficulties in the Mining and Railway Industries and which are now being reduced.

Dividend
A final dividend of 11.5% is recommended making a total of 15% compared with 14% last year. When considering the amount of the increase your Board has been influenced by the severe inflationary pressure with which the country is currently having to contend and by the temporary need to conserve the Group's resources.

The increase in the value of outstanding capital commitments totalled £9,102,000 and this expenditure will, in due course, improve the revenue earning capacity of the Group.

We have considered the desirability of making a more equal division between the interim and final dividends. Provided no unforeseen circumstances arise it is proposed that the next interim dividend should represent a proportion of the total dividend distribution for the year. This must not be taken as an indication that the total dividend will be increased as that will be dependent on the position at the time.

Expansion
Expenditure on capital additions during the year totalled £5,800,000. This is after the deduction of Incentive Grants and is easily an all time record. The amount of capital expenditure shown as authorised and outstanding at 31st March this year provided for the completion of the major extension at Grimethorpe, for the completion of the new Works at Rosington and for most of the further additions and extensions required at the Central Refinery at Belper. The figure also includes the cost of the additional liquid stocks from Rosington. The figure also includes what it is hoped will be an adequate sum to cover inflationary pressures. It is estimated that the delay in the building of the new Works at Rosington due to the need to await the outcome of the Public Inquiry increased the cost by about £900,000 when compared with the original estimate. This is an indication of the seriousness of the inflation with which the country is currently having to contend.

For financing outstanding capital commitments we have arranged for bank borrowing to represent the money that will be forthcoming from the normal cash flow. When the new Works at Rosington has been completed we shall consider whether any fresh issue of capital is required and whether the issued capital should be increased by capitalising part of the Company's reserves to bring it more into line with that actually employed.

The major extension to the Works at Grimethorpe was completed on time. The first six batteries of retorts were commissioned in January and five more by the end of the financial year. The twelfth and last battery is now in operation. As preparation of the site was not started until the last week in February 1970, this is a very good performance. Shareholders were informed about the problems relative to Rosington in a special statement at the time of the last Annual General Meeting in July 1970. As then forecast preparation of the site started before the end of September. Progress has been exceptional and it is confidently expected that half of the batteries of retorts will be ready for commissioning during the first half of December this year, the other ten to follow at intervals during the first three months of 1972.

Siebens Oil and Gas (UK) Limited
Last autumn your Company went into partnership with the Guardian Royal Exchange Assurance Limited, the Phoenix Assurance Limited and M.I.T. Securities Limited (a member of the Hambros Group of Companies) in acquiring 50% of the Ordinary Share Capital of a newly formed Company called Siebens Oil & Gas (UK) Limited. The remaining 50% is owned by a Canadian Corporation, Siebens Oil & Gas Limited, Calgary, Alberta, who are specialists in seismic surveys and oil exploration.

Viscount Ward was appointed a Director of the new Company to represent our interests. The function of Siebens Oil & Gas (UK) Limited, is to explore for oil and gas off the coast of the United Kingdom. Since November 1970 large areas of the North Sea and the Celtic Sea have been surveyed and much exclusive data obtained. Based on these seismic surveys applications for exploration licences are being applied for.

Costs and Prices
Improvements in efficiency and the spread of overheads resulting from expansion have allowed us to absorb many cost increases in recent times. It is, however, impossible to cover increases in the cost of coal for carbonisation in this way. During the period under review we had to contend with what can only be described as a severe and unprecedented increase in the cost of coal. On 1st September the prices of carbonisation coals, representing approximately 70% of our carbonising blends, were increased by 18% across the board. Two months later on 1st November the price of industrial coals, which make up the balance of the carbonising blends, were increased by a similar amount. We also had to contend with local changes in seams and classifications which additionally increased the cost of the blends. These various changes necessitated two separate compensating increases in Coalite prices.

It had been hoped that there would be a reasonable period of subsequent stability but unfortunately coal prices have already been increased again. In the new financial year, on 1st January, the price of industrial coals was increased by 11% and industrial by 6%. The consequential price increases of smokeless fuels other than Coalite was delayed until 1st July but we reached the conclusion that, in our case, the best policy was to increase prices by the lowest amount on the earliest date and our change became effective on 1st May. By 1st July when repricing had been completed Coalite had fully retained its competitive position within the group of domestic solid smokeless fuels.

Coalite
We have emerged from a period during which trading conditions were largely controlled by artificial factors and an unusually mild winter. The ban on the burning of bituminous coal in clean air zones was restored on 30th April and it is expected that the introduction of new clean air zones will now proceed. A substantial tonnage of domestic gas coke is scheduled to be taken off the market almost immediately.

The need to put quantities of Coalite into ground stock substantially diminished during the last three weeks of April and by the end of May the full production was being achieved. When the new Works at Rosington is in full operation we will be making domestic Coalite at the rate of two million tons per annum, an increase of nearly 50% more than before the Grimethorpe extension was commenced. The tonnage that had to be put into ground stock will be extremely valuable next autumn for expanding our market for the time when the Rosington Works is started up towards the end of the year.

Oils and Chemicals
Apart from certain specialised chemicals for the manufacture of herbicides, the demand for our oils and chemicals is extremely good and in many cases exceeds the supply. Assisted by the substantial increases in the prices of petroleum based products during recent months the oils section has developed bullish tendencies. We do not expect any material difficulty in disposing of the increasing volume that will arise from the expansion at Grimethorpe and the new Works at Rosington.

The demand for the specialised chemicals is, with one exception, a problem of seasonal tendencies temporarily retarding the anticipated growth pattern. The exception is Trichlorophenol the intermediate we supply for use in the manufacture of the selective weed killer 2,4,5-T. This weed killer has been suspect on toxicity grounds and the subject of investigation in both the United States and the United Kingdom. The consequent publicity has resulted in a considerable reduction in demand. There are now clear indications that much of the adverse publicity could not be justified and that, subject to the official toxicity limit, which we can meet, the demand should be gradually restored. The first section of the plant for the manufacture of Ortho Phenyl Phenol based on a Patent licensed from I.C.I. was commissioned in October 1970. The second stage, which will produce the capacity of 10,000 tons per annum, is being commissioned. This will cover our own captive requirements, other demands in the U.K. and what we estimate to be a substantial export potential.

Development
In order to augment our own substantial research efforts and to ensure a flow of possible projects for diversification and expansion, close and regular contact at both commercial and technical level is maintained with a number of foreign and U.K. companies.

Employees
You will, I know, wish to join with the other directors and myself in sending a message of thanks and appreciation to all our employees for their efforts during a year that was abnormal in many ways.

The Future
We have a virile organisation, enjoy a fine measure of goodwill and can face the problems of the future with confidence and optimism.

Fisher-Bendix strike meeting

By Alex Hendry

A MASS MEETING of Fisher-Bendix strikers will be held in Liverpool today to discuss the company's refusal to reinstate redundant workers.

About 800 workers are on strike and have been officially backed by the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union.

National officials of the two unions met Fisher-Bendix management in London on Monday and asked that those redundant workers be reinstated, and that notices of redundancy to take effect next October should be withdrawn.

Just over 500 workers are affected. More than 300 of them were laid off in 1969 when the company refused to withdraw notices that took effect last Friday, but offered to reconsider the proposed October lay-offs.

At the end of the meeting, Mr. Tom Collins, a company official, said: "The company told us that it was losing £35 on every washing machine produced in this country."

We were also told that the labour cost content of each machine was only £10; therefore going to an area of cheap labour would not benefit the company, which it was to continue production abroad.

A spokesman for Fisher-Bendix said later that the company would continue to supply domestic washing machines, but that they would be manufactured abroad. The factory at Kirby, Liverpool, makes hot water radiators and electric storage heaters. Production is at a standstill because of the strike.

Pru's agents lift ban on new business
By Roy Rogers

THE 11,000 members of the National Union of Insurance Workers employed by Prudential Assurance have lifted their ban on accepting new business following the reopening of negotiations on their claim for a 2.5% week pay rise.

Pay talks have resumed and a new offer is to be considered by the NUW executive shortly. However, it is unlikely to show much of an improvement on the previous final offer of 2.2% which was linked to the eventual elimination of 750 jobs.

The NUW is not in a very strong bargaining position for its ban on new work didn't appear to have much effect on the Prudential and selective strike action, which was recommended by the union's annual conference in May, would be difficult to carry out effectively because of the agents tend to work in isolation from each other.

Smelter site strike may end to-day

BY OUR LABOUR STAFF

SOME 396 electrical contractors employed by N. C. Bailey on Alcan's £55m Lynemouth, Northumberland, aluminium smelter site may decide to end their week-long unofficial strike when they meet this morning.

Yesterday the electrical contracting industry's Joint Industry Board sent letters to the strikers urging them to return and allow their claim for pay parity with other workers on the site to be taken through procedure.

The JIB offered to send a regional disputes committee to the site within 48 hours of a return to work.

Meanwhile, the 446 tradesmen employed on the site by Foster Wheeler-John Brown Boilers and who were sent home on July 1 for depositing their claim for a 30 per cent increase in bonus payments, yesterday rejected an offer of a 10 per cent increase linked to the ending of afternoon tea breaks.

Yesterday's talks followed a return to work to allow the claim to be taken from procedure. The dispute will now go to a conference to be held in London in the near future.

Rules plan for share incentive schemes

By Michael Blandon

SUGGESTED ground rules for establishment of share incentive schemes for company executives have been set out by one of the major groups of institutional shareholders, the National Association of Pension Funds. After a special committee meeting on Monday the association has put forward its ideas on a code of conduct to cover one type of incentive scheme which has gained increasing prominence recently.

There has been increasing institutional concern about the rapid growth of the number of company executives who are awarded share schemes to reward their executives. This concern has recently appeared in opposition by the NAFPF to at least two particular schemes.

The proposals so far put forward by the NAFPF's Investment Protection Committee cover only one type of scheme, in which shares are issued on a partly paid basis to executive participants. The next meeting of the special committee is expected a week to-day, and is to consider other issues, in particular the schemes which involve corporate interest-free loans from the company to finance executive share purchases.

The NAFPF's aim is not to hinder the development of schemes-it has made it clear that it favours schemes which offer a genuine incentive to executives-but to prevent the use of the technique to give a free gift to management. Its principles are already being given effect in practice in the City, and it is hoped simply that companies and their advisers, particularly merchant banks, will conform to the guidelines and, if they need to move outside the suggested framework, will consult the institutional investors in advance.

The principles include limits on the number of shares which should be issued under an incentive scheme, in relation both to the company's capital and the individual participant's holdings. It stresses that part-time directors and employees should not normally participate. It emphasises that partly paid shares should have less than full equity rights-in particular, no votes, rights and scrip issues only in similarly restricted shares. No dividends, or at least dividends limited in relation to the amount of the subscription price paid up.

It suggests a limit on the length of time a participant must hold shares. And it argues that participants should not have complete indemnity against possible loss and should not be in a position to make a "purely fortuitous profit."

NEW MOTOR HOTEL FOR MARKS TEY
A 106-room motor hotel is under construction at the new Prince of Wales roundabout at Marks Tey, Essex. To be known as the Marks Tey Motor Hotel, it will be operated by Revilo Inns and is scheduled to open in the summer of 1972.

Shopworkers in move for 40-hour week

UNIONS representing nearly 1m. workers in the retail trades are making a move for a 40-hour week. The Union of Shop, Distributive and Allied Workers has already applied to the Multiple Goods Council, the Retail Food Wages Council and the Retail Drapery, Outfitting and Footwear Trades Wages Council.

A spokesman for USDAW said yesterday that a number of the big chain stores had a 40-hour week. But he said that the 40-hour week was not universal and that the unions wanted to bring them all into line, particularly because of part-time workers, who would be on a higher rate than the full-time rate was calculated by the weekly rate divided by 40 instead of 42.

In the action, Buttes Gas and Oil Co. of Oakland (Cal.) is seeking damages against Mr. Armand Hammer, president of Occidental Petroleum, of Los Angeles, and the company.

The companies are in dispute over drilling concessions in the Gulf.

Buttes claims that, at a London Press conference last October, Mr. Hammer accused it of using improper methods in dealings with the two Gulf states in which both companies are operating, and that the material is false.

The Court, overruling a decision of a High Court judge two months ago, gave leave for the writ in the action to be served in California upon Mr. Hammer and his company.

NEW EFFORTS BY ASTMS TO HELP EX-ROLLS MEN
After a survey which showed some senior Rolls-Royce employees had been forced to become bus conductors and ice-cream salesmen, further efforts to help them are to be made by the Rolls-Royce branch of the Association of Scientific Technical and Managerial Staff.

Mr. Mick Walker, chief ASTMS negotiator at Rolls-Royce, said yesterday the branch committee was due to meet next week to consider the situation and to put pressure on M.P.s.

REDUNDANCIES AT HOBSON
About 70 workers are to be made redundant next week at the Wolverhampton aircraft components factory of H. M. Hobson. This will be the first batch of 200 redundancies served by the company as part of a streamlining plan.

ACL bid to rejoin conferences

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ATLANTIC CONTAINER LINE, the European consortium of shipping lines operating container ships across the Atlantic, and of which Cunard is the British member, has announced that it will re-apply for membership of the Continental and French Westbound shipping conferences-rate agreement bodies on the North Atlantic.

ACL resigned from these conferences last year, during the height of the Atlantic container freight-rate "war," because of doubts about the effectiveness of the conference system to stabilise freight rates. Since then, and recently, the major transatlantic carriers-European and U.S. operators-have agreed in principle to a pooling agreement on trade which gives promise of stabilising rates on the Atlantic.

When formally completed this agreement will be filed for approval by the U.S. Federal Maritime Commission. It is hoped that the FMC will approve the agreement, which remains the background of the U.S. Justice Department, which could rule against such an agreement on a monopoly argument.

Mr. P. E. Bates, chairman of Atlantic Container Line Services, commenting on the decision to re-apply for membership of the conferences, said that at the time ACL withdrew it hoped the agreement would lead eventually to a "revitalised conference system."

Panocean speeds parcel tanker programme
By James McDonald

PANOCEAN Shipping and Terminal Company, London, is accelerating its programme to enter the "parcel" chemicals and oil products industry.

It has purchased for just over £1m., a 20,680 d.w. tons parcel tanker, the Anco Stripe, from Anco Tanker Services A/S. The ship will support the company's Far Eastern services later this year after a full re-fit.

Built in 1958 and converted for the "parcel" tanker trade in 1964, the ship will join a fleet of parcel tankers being built in Norway for delivery between the end of 1972 and early 1973, costing between £1.5m. and £4m. The organisation aims to be "one of the major companies carrying bulk liquids, edible oils and lubricants by the mid-1970s."

Facsimile transmission to police cars
The Home Office and Bristol Constabulary are co-operating in an experiment to explore the operational value of transmitting written and illustrated documents by facsimile to police vehicles using the force's mobile VHF radio system. Ten police vehicles have been fitted with facsimile receivers connected to the normal mobile radio installation.

The system is capable of transmitting documents of unlimited length but restricted to a width of 4.25 inches, such as sketches, newspaper, manuscript and photographs.

These are reproduced in identical size within the vehicle on a continuous roll of electrochromic paper with an output rate of about one minute for every four inches in message length. Speech transmissions are unimpeded by the facsimile system and can be sent singly or simultaneously over the same radio transmitter. The equipment has been developed by Muirhead.

Trial in U.K. of Buttes slander action
THREE Appeal Court judges yesterday ruled that a slander action concerning two oil companies was not barred by the Statute of Limitations, and should be tried in England, and not the U.S.

In the action, Buttes Gas and Oil Co. of Oakland (Cal.) is seeking damages against Mr. Armand Hammer, president of Occidental Petroleum, of Los Angeles, and the company.

The companies are in dispute over drilling concessions in the Gulf.

Buttes claims that, at a London Press conference last October, Mr. Hammer accused it of using improper methods in dealings with the two Gulf states in which both companies are operating, and that the material is false.

The Court, overruling a decision of a High Court judge two months ago, gave leave for the writ in the action to be served in California upon Mr. Hammer and his company.

U.K. complaint on chemical dumping likely
THE BRITISH Embassy at The Hague may follow the example of the Irish Government in complaining to the Dutch Government about the proposal to dump waste chemicals off the west coast of Ireland.

The Dutch tanker Stell Maris is already on its way to the dumping site after the operation had been instructed to make representations to the Dutch Government about the proposal to dump waste chemicals off the west coast of Ireland.

Mr. Anthony Royle, Under-Secretary, Foreign and Commonwealth Office, told the Commons yesterday that the Embassy had been instructed to make representations to the Dutch Government about the proposal to dump waste chemicals off the west coast of Ireland.

The British Government deplored the dumping proposal on general environmental grounds, he said.

SE Council rebuke for Edger

By Nicholas Leslie

EDGER Investments, the property investment and development group headed by Sir Gerald Edger, has been publicly rebuked by the Council of the London Stock Exchange for failing to give early notification of the sale of its Knightsbridge Green property.

In a statement yesterday the council announced that following enquiries it found that the intervention between the exchange of contracts and Edger's announcement of the deal "was in clear breach of the company's General Understanding with the Stock Exchange to notify without delay particulars of material realisation of assets."

Contracts for the sale of Knightsbridge Green, for £5,350,000, were exchanged on June 24, but it was not until June 30, when Edger reported stock accounts for the year to March 1971, were sent out to shareholders, that an announcement of the sale was made.

Bid rejected
Moreover, reference to the date that contracts were exchanged was not made until July 2, when Edger announced to the Press rejection of a proposed £5m. bid for the company by Mr. Gabriel Harrison's Amalgamated Investment and Property.

The Council states that it has sent a letter to Sir Gerald Edger drawing his attention to the omission, "the Council having been given by a property company the right to delay the announcement until publication of the annual report and accounts."

The relevant section of the Securities to Quotation by which Edger was found in breach of General Undertaking stands broadly, that notification should be given by a property company of any sale which is worth more than 20 per cent. of the total book value of property or published valuation, before deducting mortgages.

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Application has been made to the Councils of The Stock Exchange, London and the Midlands & Western Stock Exchange for permission to deal in and for quotation for the above Stock.

In accordance with the requirements of the Councils of The Stock Exchange, London and the Midlands & Western Stock Exchange, £125,000 of the Stock is available in the market, on the date of the publication of this advertisement.

Particulars of the Stock have been published in the Statistical Services of The Exchange Telegraph Company Limited and Moodies Services Limited and copies may be obtained during normal business hours (Saturdays excepted) up to and including 6th August, 1971, from:

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INTERIM STATEMENTS

CABLE TRUST LIMITED

(formerly Cable and Wireless (Holding) Limited)

Interim Statement (unaudited) showing Group earnings for the six months ended the 30th June, 1971, and Valuation of Investment at that date.

	1971	1970
Group earnings before providing for taxation	2,145,000	2,028,000
Taxation on above earnings	841,000	832,000
Group earnings after providing for taxation	£1,304,000	£1,196,000

Note:—The 1971 figures are before charging gross interest to date on the Unsecured Loan Stock issued on the acquisition of the Ordinary shares in Aberdeen, Edinburgh and London Trust Limited. It is estimated the net cost for a full year will be covered by the income received from our investments in Aberdeen, Edinburgh and London Trust Limited.

The Directors have declared an interim dividend of 7.5% (1970-7%) on account of the year ending the 31st December, 1971 payable on the 30th September, 1971.

	30th June 1971	31st Dec 1970
Valuation of Investments		
Quoted Investments at market value (including 75%—£2,313,000 of dollar premium, Dec. 1970—£2,155,000) ...	88,951,000	78,454,000
Unquoted Investments at valuation ...	33,798,000	22,861,000
Temporary Loans ...	765,000	1,110,000
	£123,514,000	£102,425,000

The net asset value of each 25p unit of Ordinary Stock is 159p (December, 1970 135p). There is a potential liability for tax on unrealised capital gains of 19p per unit (December, 1970 12p).

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- Profit before taxation £195,392 (£127,302) an increase of 53%.
- Interim dividend of 8½% (an increase of 1% on last year) declared for the half year to the 31st March 1971.
- Pattern of activity has continued into the second half year and providing there is no deterioration in the present economic situation profits in excess of £400,000 should be achieved for the year ending 30th September 1971.
- It would also be your Directors' intention to distribute a final dividend of 19% (17½%) which, together with the interim dividend of 8½%, would make a total distribution for the year of 27½% (25%).

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Conferences and Exhibitions

FINANCIAL TIMES SURVEY

Valid methods of communication

By CHRISTOPHER JOHNSON

Anyone who is addicted to exhibitions has a choice to-day between Enterprise Nottingham, IPEX (the International Printing Exhibition at Olympia and Earls Court), the Brighton Antiques Fair, the Harrogate Lighting Exhibition, the Electromotion Exhibition in Swansea, the East of England Agricultural Show, or the Royal Welsh Show—not to mention the Swaziland Show '71 at Manzini, Visual Communication in the Learning Industry in Vienna, or Hardex in Johannesburg.

The hardened conference-goer need not think that the season has ended yet, either. In London alone, he has a choice this week between Modern Company Taxation, International Insurance Law, and Cost and Price Forecasts—that is, if there is anything left of London's conference facilities after last week's gargantuan American Bar Association meeting. Conferences and exhibitions have multiplied to the point where London's hotels and halls are inadequate to handle the demand. Provincial and even foreign conference venues have successfully tempted seekers after truth to sample pastoral solitude or bracing ozone. But London is making up for lost time, with new hotels still rising on the foundations of the Labour Government's subsidy, plans for an exhibition centre to rival the Birmingham project and talk about a major conference centre on some such site as Covent Garden.

In modern business conditions of rapidly changing products and techniques, and increasing international trade, conferences and exhibitions have become an essential means of communication, providing the sort of meeting-point that abbeys and cathedrals did in the Middle Ages, for all sorts and conditions of men of different lands whose common faith in what they are doing needs to be renewed from time to time.

Necessary time

As in the Middle Ages, faith-healers, peddlers of relics, heretical sects, anti-Popes, and all kinds of operators of doubtful value flourish alongside the true religion. An exhibition costs a lot to mount, and cannot be undertaken lightly; but there is a serious danger that the conference demand, like the demand for management training with which it is associated, will be met by too many ill-conceived schemes. A recent letter in the Financial Times put the point so well that it is worth quoting at length: "It is difficult to find the necessary time to attend courses and lectures. It is also increasingly difficult to select the appropriate courses to attend from the plethora of literature that finds its way on to my desk from all kinds of

sources. . . . The standard of some of these courses has been frankly appalling. The benefits have certainly not warranted the costs, and I could have obtained better results by purchasing a text book on the subject matter and reading it at my leisure.

"I would strongly advise those firms which are involved in organising management seminars that they review their policy immediately. The material of the speakers must be scrutinised for content and interest, and rehearsals must be convened to ensure a proper presentation technique. . . . Failure to carry out these elementary rules can lead only to a falling-off in attendance at conferences, to the consequent detriment of many courses which, I am sure, are conducted in an excellent and professional fashion."

Rating systems

The Management Courses Index, and other such rating systems, can help the tyro to hack his way through the jungle, and he may at least have the satisfaction—at the City University Graduate Business School, for example—of being asked to fill in a frank questionnaire on each speaker. But no such recourse is available when one has to decide whether or not to attend a large once-and-for-all conference; the reputation of the speakers and of the organisers are some guide, however imperfect.

The conference business has, of course, been a godsend to the British hotel industry, bringing salvation in the off-peak periods. But the hotels who want to stay in the running alongside the new facilities coming up towards completion would do well to understand the diversity of the conference as a means of business communication.

A number of different terms are in current use to denote gatherings of different size and importance—conference, convention, congress, meeting, seminar, and so on—but in the absence of any general agreement as to how they should be used, they only add to the confusion. So I shall stick to plain "conference," and ask French readers to note that it does not mean just one lecture.

If an organiser can muster an outstanding platform of speakers, all supreme authorities on the subject, it seems a pity not to attract as many hundreds of people as can persuade their companies to foot the bill at the going London rate of £25 a day. Lack of expertise in marketing, whether by direct mail or advertising, is one limitation; another is the shortage of bookings over the next year or more in West End hotels able to cater for more than two or three hundred. But large conferences of this

kind need to be stage-managed like a military operation, and often suffer by being run by well-intentioned people who lay no claim to expertise in conference organisation, but imagine that it is just one of those basic skills like dealing with the morning's post, that any competent executive picks up.

This does not mean that every big conference must have an aidophor or an autocue, or some other electronic gimmick to assist the professionalism of the organisers. Visual aids, for audience or for speakers, should be used as what they are—as aids, if and when required. A lively chairman, with the ability to use questions as a means of prompting discussion between speaker and audience, is an even more valuable asset.

At the other extreme, there is a proliferation of small conferences, with the attendance numbered in tens, whose purpose is more to inform and educate, with a high degree of audience participation, than to put across the views of well-known authorities. Here, the trouble is often that the marketing has outrun the production side. It is not difficult to attract some kind of response to a slick brochure with trendy topics, but only disappointment will result if there is no coherent theme running through the subject-matter.

Conferences can also be usefully distinguished according to their themes. First and foremost, there is all the difference in the world between the conference which you pay to attend and the conference which you have to be paid to attend. The latter type, the sales conference for agents or clients, is often more expertly staged than the former, because it is easier to judge by the subsequent sales figures whether it has succeeded in its object or not. It is worth noting that it is far easier to attract busy executives to, say, the west coast of Ireland, if you pay them to come than if they have to pay you.

Four categories

The paying kind of conference can broadly be distinguished into four categories: management, industry, geographical, and current affairs. The British Institute of Management is the biggest organiser of conferences in its own field, where it is being joined by a number of higher education centres, whose academic principles are not inconsistent with honest fund-raising in a worthy cause. The grants which can sometimes be got from training boards are a useful stimulus to such conferences.

Industry conferences, sometimes in tandem with exhibitions, are often held by trade associations or the trade press, and generally move in well-oiled

grooves from year to year. More than any other kind of conference, they give delegates the opportunity to make contact and conduct their horse-trading in between, if not during, the formal sessions—like the traders who used to conduct a brisk business in the aisles of the great mediaeval cathedrals.

Geographical conferences may be regarded as an adjunct to export promotion, and are often linked with inward or outward buying missions, as well as with British weeks, trade fairs, and business exhibitions. Business travel is on the increase, and can sometimes be justifiably conducted on a group basis if the group can share the benefit of a common briefing by experts on the country or area in question.

Timing crucial

Current affairs conferences on business topics fulfil a special function in initiating debate on the policies of governments or other institutions while they are in the formative stage, as long as they avoid becoming a platform for politicians or other pressure groups to reiterate views for which they are already well-known. By their nature, they cannot always be repeated, and the choice and timing of the subject is of crucial importance. In view of the varied nature of the business, it is not surprising that, with the exception of a handful of big operators, the conference and exhibition industries are characterised by plenty of small firms. For all the lack of exhibition space, there are some 250 exhibition organisers in this country, and doubtless about the same number of conference organisers.

The exhibition industry will surely welcome some effort by the Department of Trade and Industry to promote thinking about a national exhibition location policy that can accommodate both the Birmingham and the London exhibition centre projects, rather than regarding them as incompatible rivals. In the event of British entry into the EEC, the expected increase in trade may well be such as to justify both projects in the long run.

Exhibitions, whether at home or abroad, must of course be regarded as part of the export effort, or rather the effort to sell more in the wider "home market," that the EEC will provide. The DTI is preaching the gospel of "cost-effectiveness" in export promotion, which has already led to the death sentence on the British National Export Council. It is also revising the subsidy scheme for trade exhibitions in a way that is likely to discourage some marginal exhibitors.

While avoiding wasteful hand-outs, official policy should take care that British exporters are not put at a disadvantage vis-à-vis their foreign competitors, and ensure that British exhibition organisers are in a position to offer British exporters facilities as attractive as those available at locally organised events.

Conferences and exhibitions are both valid methods of business communication, as well as providing convenient occasions for a break in office routine. But at a time when the Government is setting the pace in cost-effectiveness, jamborees which fail to justify the money and the executive time spent on them will not in the long run yield a living to the organisers.



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Continued on next page.

CONFERENCES AND EXHIBITIONS II

Keeping pace with the growth in conferences

By ARTHUR SANDLES

The arrival of 12,000 delegates, wives, children and secretaries for the conference of the American Bar Association in London caused something of a stir. It was, after all, the middle of the tourist season and the lawyers put quite a strain on a well-stretched accommodation situation in the British capital. However, the gathering was just another symptom of the way in which the world conference business has exploded. There have been suggestions that the global conference market in 1985 will take in up to 50m. delegates at approaching 100,000 separate international conferences. At the moment we have around 4,000 such conferences with about 2m. people taking part.

Obviously the idea is that there will be a rapidly accelerating growth in the conference business in the 1970s. Already tourist areas that used to boast about their beaches, sunshine and night-life, now talk about multi-lingual translation facilities, purpose-built conference halls and superb international communications. There is more money in Martinis than candy-floss and the conference trade is definitely the Martini end of the market.

It is in the international field that the growth is likely to be most apparent. The development of international companies and trade associations, the need for personal contact in an increasingly impersonal world, and the developing awareness that exchanging views can be a profitable business will all combine to provide the impetus.

Potential seen

There is little doubt that a great number of people have seen the potential. The Swiss, the Spanish, the Irish and the Australians are eager to get into the international conference business and are making considerable efforts to do so. The Dutch started from virtually nothing seven years ago and have now placed the Hague into fifth position in the conference popularity league.

Hotels currently hit by the vacation attractions of foreign parts. Brighton estimates that it grossed £2m. from the conference trade last year and it spends about £40,000 on promotion and hospitality to keep that business on the increase. There should be around 200 conferences of an appreciable size in Brighton this year and, in the north, Scarborough will not be far short in the number of fixtures.

Hotels to-day are rarely built without extensive conference facilities and those of an older vintage seem rarely without a corps of builders in trying to improve things. Trust House Forte for example now has well over 100 hotels in Britain with conference facilities and, on the conference front, it will be a rare British Holiday Inn that does not have conference suites with audio-visual facilities.

Some questions

But during the past couple of years the conference boom has led to some questions being asked about the effectiveness of such gatherings. The days when a jolly get together with golf to fill the long gaps between sessions and night club jaunts made the evenings pass more quickly was the norm are passing. The cold light of economics is passing through the industry. "I would never hold a conference," I do not want my salesmen getting together and talking about my business," might be a sentiment of the commercial dark ages. But, "The only purpose I can see for our conference is to give the men a break away from their wives. It's good for morale," is a pretty decent view too.

A closer look at the cost effectiveness of conferences has given rise to an increasing number of specialist agencies emerging in the conference organisation business. Unfortunately, as many a conference



The state ballroom at Goodwood House near Chichester in Sussex which has recently been re-opened to the public and is now available for conferences.

organiser has found in the past, the pitfalls awaiting the over-eager and under-experienced are considerable. Simple mistakes like having the wrong speakers for audiences, provoking discussion and then allowing no facility for it to be expressed, using twenty visual techniques in conference rooms which are equipped for the latest audio-visual methods persistently recur. It is also nice to have someone else to kick at the end of the day if something does go wrong.

It seems inevitable that as conferences grow increasingly sophisticated and an increasing number of companies and organisations are drawn in, the involvement of specialist agencies will grow. This is particularly true of the international conference and the "sales spectacular," one of the phenomena of modern business meetings. It has been consistently demonstrated that a variety show with the "message" well woven into first rate entertainment is a very effective means of reaching people who are likely to nod off when the managing director starts reading off his statistics from a black-board style wall-chart.

Just as the content of conferences is changing, so is the location. To-day, you can rent the London Palladium—or most theatres for that matter—or Caister holiday camp. The QE2

Faster rate

It is for these reasons that the conference business will grow — and almost certainly grow at a faster rate than the normal travel business. Conferences are usually planned a long way ahead and not subject to the normal holiday vagaries. Thus the competition for conference business will be considerable in the next few years. Certainly Britain is both well placed and reasonably well prepared to handle the bulk of that additional business. However, when it comes to the international big league the decision will have to be taken fairly soon whether or not this country is going to stay in the market and do so by building at least one, and possibly more, purpose-planned centres for 4,000 delegates or more.

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Exhibitions—(Cont'd.)

Continued from previous page which exist in this country in comparison with those elsewhere in Europe will need to take place.

At the moment there is a feeling of malaise in the exhibition industry in the U.K. Domestic exhibitions show a tendency to become smaller and some exhibitions are now taking place at less frequent intervals. No doubt this is a symptom of the general lack of growth and uncertainty in British industry itself and will not necessarily persist should our participation in Europe produce the dynamism and growth in British industry that the Government expects.

What are the chances of closing the gap? There are some who feel that the money would be better spent on increasing and improving British participation in overseas fairs. As a frequent organiser of "joint ventures" with the Department of Trade and Industry at these fairs, the London Chamber knows how valuable these efforts are. Yet if the trade promotion policy is to be complete it is very important that overseas buyers should be encouraged to come to British shows. Interest shown at exhibitions can be followed up by factory visits and there is, of course, the additional advantage of invisible earnings.

Two types

There are, basically, two types of exhibitions that could be staged in Britain. The first is the international exhibition which goes to different countries in turn, such as those for machine tools, textile machinery, printing machinery, packaging machinery and materials, plastics, construction equipment, and soon, perhaps, the motor industry. The second is the basically home-oriented exhibition, designed to sell British goods but with international participation. Another and rather overlooked aspect of this exhibition is its role in promoting regional development and trade. For instance, in France, most of the regional centres have regular exhibitions which do much to boost the industrial potential of their area. There seems to be a good case for similar exhibitions being held in some of the U.K. regions seeking investment. This point has been made in favour of the Birmingham site by the West Midlands Economic Planning Council; it must also be equally true for other regional centres like Cardiff, Glasgow and Newcastle. At present the U.K. is unable to stage, through lack of the necessary facilities, many of the international exhibitions whose

venues are governed by international agreements. Each country takes it in turn to stage these events and thus play host to buyers from all over the world. In any international exhibition it is usual for a majority of the participants to come from the organising country. This gives a tremendous advantage to the host country's industries. This is the case, and it is a strong one, for exhibition centres and facilities not just in London and/or Birmingham, but in other centres as well.

Extra efforts

It would be reasonable to assume that there will be a greater disposition for continental industry to show its wares in exhibitions in this country. Our highly industrialised country of 55m. people is, however, "off centre" geographically

when the Community is looked at as a whole and for that reason extra efforts will need to be made to ensure that as a country we are not left behind in this highly competitive field of trade exhibitions. To do this we must have adequate modern exhibition facilities. Finance is, of course, the crux and has proved to be a major stumbling block in all the "toings and froings" in the National Exhibition centre's discussions from the Crystal Palace project of 1966 onwards. At that time the Government made it clear that in their view, potential users should share the cost. This was not to the liking of industry who thought a collective scheme would be both difficult to set up and even more difficult to run.

Another alternative was to permit developers to include a substantial amount of office

building in a composite scheme but this ran counter to fundamental planning decisions.

It was against this background that Birmingham put forward its proposals for a site near Meriden which would require £1.5m. from Government funds as opposed to the £4m. needed by the first Northolt scheme. A subsequent scheme has now been put forward for Northolt which could be financed entirely by the developer and the GLC.

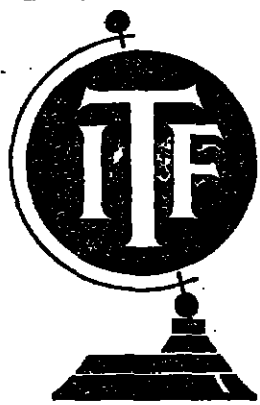
If as a result of the harmonisation of institutions within the EEC British Chambers of Commerce adopt the mantle of public law status, would it be entirely fanciful to contemplate regional exhibition centres in one or two of our major provincial cities being run jointly by the City Corporation and the Chamber of Commerce, as is the practice in several continental cities?



Between Britain and the Continent. Where all points of view find a common ground. And uncommon facilities. Four-star hotels French and English style restaurants. Green island golf courses. Sports cars to hire for touring the restful lanes in the early spring and long-lasting summer. Endless beaches. And all the help you want in planning venues, accommodation and entertainment from the Jersey Convention Bureau. Send your people on a refresher conference. Plan to have it in Jersey.

Jersey Britain's South Sea Island

Convention facilities, hotels, timetables from Jersey Convention Bureau, Wexham, Jersey, C.I.



Industrial and Trade Fairs Holdings Ltd., Calendar of Events 1971-72-73

International Freight Container Exhibition
Earls Court, London, 28 September-1 October
Irish Hardware and Household Goods Fair
Dublin, 12-15 October
London Nursing Exhibition and Conference
Seymour Hall, London, 18-22 October
International Poultry Show
Olympia, London, 14-16 December.

1972
Hotelympia
Olympia, London, 6-14 January
Carpet 72-International Carpet and Floor Coverings Fair
Earls Court, London, 28 February-3 March
Imbex 72-International Men's and Boys' Wear Exhibition
Earls Court, London, 28 February-3 March
Brewex 72-International Brewing, Bottling and Allied Trades Exhibition
Earls Court, London, 17-21 April
International Mechanical Handling Exhibition
Earls Court, London, 9-19 May

Northern Floor Coverings Fair
Harrogate, 5-8 September
Meat Industry Exhibition
Olympia, London 5-7 September
International Poultry Show
Olympia, London, 5-7 September
Icape 72-International Chemical and Petroleum Engineering Exhibition
Olympia, London, 18-22 September
Pakex 72-International Packaging Exhibition
Olympia, London, 9-13 October
London Nursing Exhibition
Seymour Hall, London, 16-20 October.

1973
Interplas 73-International Plastics Exhibition
Olympia, London, 20-29 June
Shonex International
Earls Court, London
Northern Floor Coverings Fair
Harrogate, 4-7 September
London Nursing Exhibition and Conference
Seymour Hall, London
International Poultry Show
Olympia, London, 11-13 December.

In addition to the national and international events listed, which are organised by seven ITFH subsidiary and associated companies based in London, and Dublin, another subsidiary company, Industrial and Trade Fairs International Ltd., organises major all-British fairs overseas.

Two other subsidiary companies based in Manchester are responsible for numerous provincial exhibitions and an associated company with offices in Sydney and Melbourne organises national and international exhibitions in Australia.

In recent years British Industrial Exhibitions have been held, with the support of the Department of Trade and Industry, in Peking, Moscow, Mexico City, Toronto, Vancouver, Bucharest, Sao Paulo and Buenos Aires.

Further information is available from: Industrial and Trade Fairs Holdings Ltd., Commonwealth House, New Oxford Street, London WC1A 1PB. Telephone: 01-242 9011. Cables: Indatfa London WC1. Telex: 282567.

Market falters on lack of demand

MONEY + EXCHANGES

Loans at Bank Rate

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 21.

EARLY FRISKINESS on the Dow Jones industrial average, followed on Wall Street today on lack of follow through demand.

After opening 0.66 up at 892.86, the Dow Jones industrial average slipped to 889.89 before partially recovering to 890.70, for a net loss of 1.60. The Transportation Index slipped 1.97 to 215.20, but the Utilities Index firmed 0.38 to 18.51. Trading volume decreased 250,000 shares to 8,946, compared with 2 p.m. yesterday.

After opening 0.66 up at 892.86, the Dow Jones industrial average slipped to 889.89 before partially recovering to 890.70, for a net loss of 1.60. The NYSE All Common Index shed two cents to 853.04, while declines led advances by 18 to 417. Trading volume decreased 250,000 shares to 11,926.

Canadian Stock Markets continued to move higher yesterday, under the lead of Gold shares, which jumped 7.70 on index. Utilities rose 0.84, Industrials 0.63, Base Metals 0.22 and Banks 0.11. Papers, however, dipped 1.00.

OTHER MARKETS

Canada higher

Canadian Stock Markets continued to move higher yesterday, under the lead of Gold shares, which jumped 7.70 on index. Utilities rose 0.84, Industrials 0.63, Base Metals 0.22 and Banks 0.11. Papers, however, dipped 1.00.

Indices

NEW YORK

DOW JONES AVERAGES

	Close	High	Low	Open	Prev. Close	Change
Dow Jones Ind. Ave.	890.70	892.86	889.89	892.86	892.86	-1.60
Transportation	215.20	217.10	215.20	217.10	217.10	-1.97
Utilities	18.51	18.51	18.51	18.51	18.51	+0.38
NYSE All Common	853.04	853.04	853.04	853.04	853.04	-0.02
NYSE Ind. Ave.	18.51	18.51	18.51	18.51	18.51	+0.38
NYSE Transp. Ind.	215.20	217.10	215.20	217.10	217.10	-1.97
NYSE Util. Ind.	18.51	18.51	18.51	18.51	18.51	+0.38
NYSE Fin. Ind.	18.51	18.51	18.51	18.51	18.51	-1.00
NYSE Govt. Bonds	18.51	18.51	18.51	18.51	18.51	0.00

* All-time high 953.15 (1969/70)
* All-time low 278.38 (1932/33)
* All-time high 18.51 (1969/70)
* All-time low 1.11 (1932/33)

IND. DIVIDEND YIELD P.C.
July 16 July 12 Aug 5 1970
3.60 3.55 4.40

N.Y. SE ALL COMMON INDEX
July 16 July 12 Aug 5 1970
853.04 853.04 853.04

RISES AND FALLS
Issues trading Up Down Unchanged
1,680 617 119

AMERICAN SE ALL STOCKS AVERAGE
July 16 July 12 Aug 5 1970
25.58 25.58 25.58

Dome Mines were lifted \$4 and Campbell Redlake Mines were up \$1. Gains of \$1 each also were scored by Metropolitan Stores and BC Telephone.

MILAN—Most sectors declined on profit-taking in quiet dealings. Mediocredito was up 340 while most Financials weakened. Insurance moderate selling pressure. Fiat, both Pirelli issues, Snia Viscosa and other leading Industrials were quietly easier. Bonds also eased in moderate trading.

STOCKHOLM—Generally maintained. AG Fvör Verkefresen gained DM17m in active dealings, and Depoosko DM11.5. Stocked were again firm led by Kautsk, Brown Boveri Ciba-Geigy and Interfood each showed notable advances.

Among Foreign shares, Dollar stocks were predominantly higher in more active dealings. Dutch issues were easier, German shares were little changed.

AMSTERDAM—Amsterdam Rubber advanced in very steady Plantations. Investment Funds

and Shipments also were steady. Local Industrials were quiet. Heineken reacted flat. Amfas weakened in Insurance. Banks were mixed. State Loans also were mixed.

Most International were quietly easier. Hoogovens declined flat. On uncertainty ahead of its half-year results due next week. Akzo and Philips were barely steady.

GERMANY—Markets were well maintained on increased interest, with solid movements leading a firmer undertone. AG Fvör Verkefresen gained DM17m in active dealings, and Depoosko DM11.5. Stocked were again firm led by Kautsk, Brown Boveri Ciba-Geigy and Interfood each showed notable advances.

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AMSTERDAM—Amsterdam Rubber advanced in very steady Plantations. Investment Funds

Stores were firmer but Oils were weak, with Lillo-Bosses Raffinage and Shell Francaise each lower.

Foreign stocks were narrowly mixed. Americans were firm while Golds and Germans were slightly higher. BELGIUM—Closed yesterday—National holiday.

VIENNA—Steady in quiet trading. Banks and Insurance were little changed.

OSLO—Steady. Insurance and Shipments were steady, while Industrials were irregular.

COPENHAGEN—Uncertain in fairly active trading, with several bank spots among Industrials.

JOHANNESBURG—Golds improved on local buying, but metals were generally dull and Copper tended easier. Mining Financials also eased.

Banks were lower. Collieries remained steady, while Industrials were mixed.

TOKYO—Prices generally declined on continued profit-taking, reflecting rumours that margin requirements might be increased. Volume 240m. (250m.) shares.

Sony were down Yen 28. Tokyo Electronics lost Yen 28. Alps declined Yen 30 and Pioneer also gave way Yen 30.

Construction and Dredgings also slipped on profit-taking. Taisei Construction shed Yen 10 to Yen 267. Ohbayashi Gumi also eased Yen 10 to Yen 320.

Wakachi Construction Construction dipped Yen 6 to Yen 417 and Penta Ocean Construction gave way Yen 10 to Yen 407.

Daewoo House further declined Yen 85 to Yen 580, and some other Housing related issues also retreated in sympathy. Eidal fell Yen 10 to Yen 1,000.

AUSTRALIA—Mining shares were mixed. Oils weakened and Industrials drifted lower.

Selected closed 38 cents higher at 85.5, following a 10 cent rise of 20 cent equity in Western Select.

The Convex, up 2 cents to 85 cents, report had no marked effect on the 60 cents, while no sales were posted in Geomaterials.

Great Boulder fell 15 cents to \$2.50, following a 10 cent rise of 20 cent equity in Western Select.

In "Heavyweights," WMC gained 30 cents to \$5.00 following Tuesday's 10 cent rise. WMC recovered 10 cents to \$9.10 but Bougainville Mining lost 10 cents to \$2.95.

In Oils, Woodside shed 19 cents to 94 cents, repeating the completion of test on the North Rankin No. 1 well. The contributing shares lost 11 cents to 54 cents. Mid East, a participant in the well, after losing 7 cents to 40 cents, Santos recovered 4 cents to \$3.20.

Gold was fixed at \$41.20 (\$41.20) an ounce in London in the morning, and at \$41.16 in the afternoon. The afternoon gold business was done, with speculative buying and specula-

tioned. The closing quotation was \$41.16-41.18, for a gain of 30 cents on the day.

Gold coins were widely unchanged, but the introduction of a forward market in them on the U.S. West Coast Commodity Exchange seemed to have a constraining effect on the market, with new rising 10 cents to \$10.35-10.45, and old hardening to \$10.30-10.40, from \$12.25-12.35. In Zurich, gold ended at \$41.15-41.30, for a gain of 30 cents on the day.

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Bank Rate 6% (April 1, 1971) Credit was in short supply in the Discount market yesterday, and books were balanced only for four or five houses shared in a moderate loan from the Bank of England for one day at Bank Rate of 6 per cent.

Revenue transfers to the Exchange were heavier than Government disbursements, but the shortage was reduced to some extent by net Treasury bill maturities in the market's hands. Banks were making up their monthly balance sheets. A rate of 5 1/2 per cent, or 6 per cent was paid for day-to-day money for the best part. Late balances were obtained at levels down to 4 1/2 per cent, and some banks quoted on occasion little use was made of privilege arrangements. Near 3-month Treasury bills were quoted for sale at 5 1/2 per cent or 5 1/4 per cent.

Sterling certificate yields were slightly firmer in some cases. A late sample of quotations gave the following ranges: One-month 6 1/2-6 1/4 per cent, two-month 6 1/2-6 1/4 per cent, three-month 6 1/2-6 1/4 per cent, six-month 6 1/2-6 1/4 per cent, nine-month 6 1/2-6 1/4 per cent, 12-month 6 1/2-6 1/4 per cent, and two-year 6 1/2-6 1/4 per cent.

In the inter-bank market, overnight loans were around 5 1/2 per cent for the best part, with 6 per cent quoted on occasion for loans but in late business there was a fall to 4 per cent and 3 per cent, or so. Month money was at 5 1/2 per cent, three-month 6 1/2-6 1/4 per cent, six-month 6 1/2-6 1/4 per cent, nine-month 6 1/2-6 1/4 per cent, 12-month 6 1/2-6 1/4 per cent, and two-year 6 1/2-6 1/4 per cent.

Local authorities paid between 6 1/2 per cent and 6 per cent, or sometimes 6 per cent for loans at two-days' notice, and 5 1/2 per cent for loans at seven-days' notice. Month money was at 5 1/2 per cent, three-month 6 1/2-6 1/4 per cent, six-month 6 1/2-6 1/4 per cent, nine-month 6 1/2-6 1/4 per cent, 12-month 6 1/2-6 1/4 per cent, and two-year 6 1/2-6 1/4 per cent.

Among leading Continental units, there was a further strengthening of the German mark, which gained 60 points on the day to DM3.46, to the dollar, after weakening at one stage. The Bundesbank was said to make further sales of dollars. The French franc ended around its 1966 level of Frs.514 in London and there were some suggestions that the Bank of France had given support to the dollar. With the Brussels market closed, the Belgian franc moved slightly above its official dollar ceiling in international dealings. Dutch guilders and Swiss francs were stronger. The Canadian dollar improved a little further, with

sterling rising 1/2 cent on balance against the U.S. dollar to \$2.41 1/2, only in part as a result of the weekly dollar interest rate swing. A fairly good business was done. The pound opened at about \$2.41 1/2, but fell to \$2.41 1/2, as the previous evening if adjustment is made for sterling's technical

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F.T.—ACTUARIES SHARE INDICES
 Indices are the joint compilation of The Financial Times, The Institute of Actuaries
 and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS
GROUPS & SUB-SECTION

Figures in parentheses after sectional names

EQUITY GROUPS			Wednesday, July 21, 1971					Tues. July 20	Monday July 19	Friday July 16	Thurs. July 15	Year ago (approx)	High and Low Index					
GROUPS & SUB-SECTIONS													1971		Since completion			
Figures in parentheses after sectional names show number of stocks.			Index No.	Day's Change %	High Price 5/16 yld. %	With 40% Corporation Tax Price 5/16 yld. %	Div. yield %	Index No.	Index No.	Index No.	Index No.	Index No.		High	Low	High	Low	
1	CAPITAL GOODS GROUP (184)	155.15	-0.8	6.16	16.24	3.88	154.59	151.50	150.09	147.47	114.15	154.39	124.03	151.50	82.82			
2	Aircraft and Components (3)	108.94	-0.3	7.92	13.51	5.73	109.27	106.95	104.54	102.22	92.60	109.27	96.40	102.12	66.40			
3	Building Materials (39)	155.90	-1.0	4.97	20.18	3.47	157.46	157.52	155.55	154.13	98.65	157.52	98.50	157.99	85.01			
4	Contracting and Construction (19)	226.07	-0.1	6.07	16.46	2.59	225.52	221.49	220.49	217.15	190.35	225.52	152.65	222.19	54.59			
5	Electrics. (ex. Electr. Rad. & TV) (13)	264.45	-1.9	5.29	19.92	3.11	269.97	265.86	264.26	257.49	170.59	269.97	152.31	261.64	51.59			
6	Engineering (80)	144.51	-0.8	6.56	15.03	4.29	145.54	140.57	139.02	136.75	118.19	145.54	102.56	150.55	62.90			
7	Machine Tools (15)	64.59	-0.4	7.67	12.03	6.29	64.82	62.08	61.12	59.80	63.26	64.82	43.85	136.55	52.86			
8	Miscellaneous (25)	129.03	+1.2	8.05	12.42	4.56	127.58	125.76	125.03	123.17	115.70	129.03	115.70	124.59	59.01			
9	CONSUMER GOODS (DURABLE) GROUP (56)	164.78	-0.8	5.23	19.05	3.09	166.80	163.00	161.69	158.49	127.56	166.80	117.33	159.57	79.96			
10	Electronics, Radio and TV (14)	172.45	-0.5	5.67	17.66	2.46	173.51	170.43	170.46	167.90	139.54	173.51	129.51	199.85	71.07			
11	Household Goods (15)	185.98	-0.1	5.14	16.29	3.56	186.20	179.17	177.88	173.73	122.02	186.20	115.92	186.20	51.65			
12	Motors and Distributors (27)	113.28	-1.5	4.49	22.28	3.71	114.99	115.04	111.00	108.25	87.51	114.99	97.31	170.54	75.92			
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	160.91	-1.4	5.55	18.01	3.79	163.25	164.32	164.68	162.55	115.45	166.68	118.17	164.68	71.97			
14	Breweries (21)	184.92	-1.3	5.51	18.94	3.43	187.31	184.02	183.62	184.97	119.55	184.97	123.50	199.79	61.89			
15	Wines and Spirits (7)	174.92	-3.3	5.96	16.77	4.00	180.26	183.14	185.91	180.99	139.51	180.26	142.41	195.05	115.76			
16	Entertainment and Catering (11)	200.93	-2.3	7.12	14.04	3.86	206.11	214.17	214.39	215.24	175.23	206.11	175.23	214.39	61.59			
17	Food Manufacturing (24)	138.95	-1.7	6.70	27.58	3.95	141.41	141.62	141.06	139.16	101.02	141.41	99.74	171.54	55.99			
18	Food Retailing (17)	135.54	-1.0	6.55	18.01	3.64	136.98	137.30	137.19	135.85	95.17	137.30	100.23	155.65	64.62			
19	Newspapers and Publishing (15)	136.94	+0.6	5.19	12.16	5.12	137.78	136.12	134.83	131.49	107.34	137.78	107.34	136.12	51.49			
20	Packaging and Paper (18)	118.07	-0.6	6.52	15.33	4.40	118.79	116.15	114.24	112.73	100.68	118.79	100.68	114.24	51.49			
21	Stores (30)	154.53	-1.3	4.41	22.60	3.01	155.88	155.48	155.45	152.12	100.50	155.88	100.50	155.45	72.74			
22	Textiles (21)	167.05	-0.8	5.92	16.89	5.14	168.18	168.56	168.57	167.16	131.83	168.18	131.83	168.56	61.83			
23	Tobacco (3)	247.41	+1.1	8.61	11.63	5.37	244.66	251.36	252.21	244.91	193.41	247.41	193.41	244.91	61.83			
24	Toys and Games (6)	50.50	-0.5	—	—	—	50.56	50.81	50.11	49.48	59.76	50.56	49.48	50.11	59.76			
OTHER GROUPS																		
25	Chemicals (19)	194.37	-1.3	5.46	18.31	3.57	196.61	186.93	188.22	184.65	131.92	196.61	131.92	188.22	63.29			
26	Office Equipment (10)	200.10	-2.7	3.45	23.97	1.50	205.66	203.08	212.05	211.29	125.66	200.10	125.66	211.29	61.83			
27	Shipping (10)	500.94	-0.3	7.65	13.07	5.48	501.70	500.02	501.19	297.49	297.40	501.70	297.40	500.02	61.83			
28	Miscellaneous (unclassified) (44)	185.52	-1.1	3.99	16.99	3.75	186.62	183.74	185.44	180.29	127.43	185.52	115.55	185.62	76.25			
29	INDUSTRIAL GROUP (498 SHARES)	155.76	-1.2	5.62	17.78	3.56	157.82	157.26	157.44	154.79	—	157.82	120.51	157.82	1,051			
30	Oil (2)	353.63	-0.4	5.72	17.47	3.54	354.90	359.65	362.16	360.27	244.35	354.90	244.35	360.27	61.83			
31	500 SHARE INDEX	181.67	-1.1	5.64	17.73	3.54	183.68	183.64	183.92	181.82	130.93	183.68	130.93	181.82	61.83			
32	FINANCIAL GROUP (121)	169.64	-1.2	—	—	2.77	171.67	169.03	157.81	154.40	106.01	171.67	119.73	171.67	61.83			
33	Banks (6)	178.61	-1.4	7.73	12.95	2.90	181.11	171.06	165.85	162.03	94.32	181.11	101.66	181.11	61.83			
34	Discount Houses (6)	170.53	—	—	—	4.63	171.28	170.14	166.09	161.25	110.98	171.28	160.10	171.28	61.83			
35	Hire Purchase (6)	262.68	-1.4	4.09	24.43	2.98	266.31	265.59	264.81	258.49	181.95	266.31	181.95	264.81	61.83			
36	Insurance (Life) (9)	152.76	-1.4	—	—	2.84	154.68	154.55	153.17	152.19	117.68	154.68	117.68	153.17	61.83			
37	Insurance (Composite) (9)	158.01	-1.5	—	—	3.33	154.07	152.63	152.84	150.46	117.73	154.07	117.73	152.63	61.83			
38	Insurance (Brokers) (10)	174.81	+0.4	5.01	19.95	4.48	174.14	174.77	174.91	171.64	102.21	174.81	102.21	171.64	61.83			
39	Investment Trusts (20)	196.26	-0.9	2.90	24.51	2.70	197.96	197.75	198.14	194.56	137.75	197.96	137.75	194.56	61.83			
40	Merchant Banks, Issuing Houses (15)	169.32	—	—	—	2.25	173.43	172.58	170.83	165.36	108.27	173.43	108.27	165.36	61.83			
41	Property (31)	207.06	-0.4	2.79	25.89	2.80	207.86	207.89	206.87	204.54	132.30	207.86	132.30	206.87	61.83			
42	Miscellaneous (9)	178.86	-1.2	5.08	17.25	4.18	178.93	177.90	171.42	167.51	—	178.93	171.42	167.51	61.83			
43	ALL-SHARE INDEX (621 SHARES)	178.58	-1.1	—	—	3.44	180.59	179.83	179.81	177.01	124.75	180.59	124.75	177.01	61.83			
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)																		
44	Rubbers (10)	210.73	-0.5	10.87	9.20	8.40	211.88	211.55	210.93	209.82	134.72	211.88	134.72	209.82	61.83			
45	Teas (10)	80.35	-0.3	16.88	5.92	8.88	80.61	80.82	80.67	81.08	75.21	80.61	75.21	80.82	61.83			
46	Coppers (4)	358.50	-1.6	52.44	1.91	14.60	343.88	344.50	348.66	349.44	268.12	358.50	268.12	349.44	61.83			
47	Mining Finance (11)	103.57	-1.3	5.45	18.94	3.31	104.55	105.34	106.85	105.26	119.91	104.55	119.91	105.26	61.83			
48	Tins (8)	74.23	-0.6	10.68	9.36	8.44	74.77	74.95	74.61	74.51	67.53	74.77	67.53	74.61	61.83			
FIXED INTEREST																		
			Index No.	Yield %														
			Index No.	Yield %														
1	Consols 2 1/4% yield	—	—	9.13	9.18	—	9.04	8.99	9.03	9.03	9.03	9.03	9.03	9.03	9.03	9.03	9.03	
2	20-yr. Govt. Stocks (6)	—	—	79.15	78.22	79.05	80.06	80.68	80.19	80.21	80.26	79.15	80.26	79.15	80.26	79.15	80.26	
3	20-yr. Red. Debentures & Loans (15)	—	—	72.42	71.20	72.43	72.44	72.40	72.59	72.40	72.19	72.42	72.19	72.40	72.19	72.40	72.19	
4	Investment Trusts Prefrs. (13)	—	—	69.25	10.66	69.23	69.25	68.51	68.41	68.41	68.41	69.25	68.41	69.25	68.41	69.25	68.41	
5	Commercial and Indust. Prefrs. (20)	—	—	74.53	10.38	74.21	74.16	73.76	73.06	73.06	72.64	74.53	72.64	74.53	72.64	74.53	72.64	

Section or Group	Base D
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Food Manufacturing	29/12/2019
Food Retailing	29/12/2019

Section or Group	Base Date	Base Value	A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, 1, Abchurch Lane, Cannon Street, London, EC4A 3BP, price 15p.		
Food Manufacturing	29/12/67	114.13	By post inland 16p. Commonwealth 16p. Foreign 18p.		
Food Retailing	29/12/67	114.13	CONSTITUENT CHANGES: The following stocks have been reclassified:		
Insurance Brokers	29/12/67	96.87	Stock	Old Classification	New Classification
Mining Finance	29/12/67	100.00	Storey Bros.	Textiles	Misc.-Unclassified
Wines and Spirits	16/1/70	144.76	First National Finance	Merchant Banks	Hire Purchase
Toys and Games	16/1/70	135.73	Slater Walker	Misc. Financial	Merchant Banks
Office Equipment	16/1/70	162.74	Hawtin	Engineering	Misc. Financial
Industrial Group	31/12/70	128.20	Portals	Packaging and Paper	Misc.-Unclassified
Miscellaneous Financial	31/12/70	120.06	Nova Jersey Knit (Textiles) has been added.		
All Other	10/4/62	100.00	The All-Share and Financial Groups now have 621 and 121 constituents respectively.		

LE

The following table shows the

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1970, in the principal equity sections of the F.T.-Actuaries Share Indices. It also includes the F.T. Gold Mines index.

Change %		Change %		Change %		Change %	
Banks	+77.15	Tobacco	+33.82	Newspapers & Publish.	+29.99	Electronics, Radio and	
Building Materials	+53.13	Electricals (excl. Elec-		50% Share	+29.30	TV	+15.8
Merchant Bks., Issuing		tronics, Radio & TV)	+33.01	Discount Houses	+29.57	Aircraft & Components	+17.3
Houses	+51.82	Consumer Goods (non-		Food Retailing	+29.08	Entertain. & Catering	+14.2
Household Goods	+51.01	Durable) Group	+32.59	Office Equipment	+29.26	Packaging & Paper	+14.2
Insurance (Composite)	+48.34	All-Share Index	+22.53	Rubbers	+28.14	Textiles	+13.4
Insurance (Brokers)	+47.37	Capital Goods Group	+31.91	Engineering	+27.77	Machine Tools	+10.5
Financial Group	+42.98	Contract. & Construc.	+31.85	Consumer Goods (Dur-		Teas	+1.1
Stores	+41.77	Property	+31.58	able Group)	+26.72	Mining Finance	+12
Warehouses	+40.89	Chemicals	+31.55	Wines & Spirits	+25.23	Gold Mines F.T.	+0.0
Hire Purchase	+40.07	Industrial Group (498		Investment Trusts	+24.85	Shipping	+2.3
Coppers	+38.62	Shares)	+30.30	Oil	+23.09	Toys & Games	-0.3
		Non-Durable Goods		Insurance (Life)	+21.19		
		Group					

*Percentage changes based on December 31, 1970.

Food Manufacturing... +37.95 M

250. **TEXTIL**

TEXTILES

1971

BRITISH ENKALON

FT-ACTUARIES INDEX

PORTUGALINE

Date	British Enkalon	FT-Actuaries Index	Portugaline
Aug 1970	155	155	155
Oct 1970	150	150	150
Dec 1970	185	145	145
Feb 1971	195	145	145
Apr 1971	205	150	150
Jun 1971	215	155	155
Aug 1971	235	160	160
Oct 1971	245	165	165
Dec 1971	225	160	160
Feb 1972	215	155	155
Apr 1972	205	150	150
Jun 1972	215	155	155
Aug 1972	225	160	160
Oct 1972	235	165	165
Nov 1972	245	170	170

Month	Precipitation (mm)
Jan	110
Feb	100
Mar	100
Apr	100

With Textile manufacturers

130 WEEKENDS							
Jan	Feb	Mar	Apr	May	Jun	Jul	
<p>With Textile manufacturers continuing to meet fierce resistance to price increases in the present over-supplied state of markets, the F.T.-Actuaries share index for Textiles is still languishing near the bottom of our Leaders and Laggards table. However, hopes of a recovery in consumer demand, made more possible by this week's mini-Budget, leaves the subsection standing 12½ per cent. up so far this year, but this is brought into perspective when compared with an improvement of 31 per cent. in the 488 Industrial Share Index.</p> <p>These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.</p>							
INDUSTRIALS							
				Prices in pence unless otherwise stated			
				1934			
				1933	1934	1935	1936
				1932	1933	1934	1935
				1931	1932	1933	1934
				1930	1931	1932	1933
				1929	1930	1931	1932
				1928	1929	1930	1931
				1927	1928	1929	1930
				1926	1927	1928	1929
				1925	1926	1927	1928
				1924	1925	1926	1927
				1923	1924	1925	1926
				1922	1923	1924	1925
				1921	1922	1923	1924
				1920	1921	1922	1923
				1919	1920	1921	1922
				1918	1919	1920	1921
				1917	1918	1919	1920
				1916	1917	1918	1919
				1915	1916	1917	1918
				1914	1915	1916	1917
				1913	1914	1915	1916
				1912	1913	1914	1915
				1911	1912	1913	1914
				1910	1911	1912	1913
				1909	1910	1911	1912
				1908	1909	1910	1911
				1907	1908	1909	1910
				1906	1907	1908	1909
				1905	1906	1907	1908
				1904	1905	1906	1907
				1903	1904	1905	1906
				1902	1903	1904	1905
				1901	1902	1903	1904
				1900	1901	1902	1903
				1899	1900	1901	1902
				1898	1899	1900	1901
				1897	1898	1899	1900
				1896	1897	1898	1899
				1895	1896	1897	1898
				1894	1895	1896	1897
				1893	1894	1895	1896
				1892	1893	1894	1895
				1891	1892	1893	1

NEW "HIGHS" (192)

CORPORATION LOANS (6)
COMMONWEALTH AND AFRICAN

LOANS (3)
FOREIGN BONDS (5)
CANADIANS (4)
BANKS (6)

Lyric Shipping
UTILITIES (1)
Calcutta Trams
MINES (8)

BANKS (1)	Union Can.	New Broken Hill
BUILDINGS (15)	Anglo-Am. Inv.	North Kaiguri
CHEMICALS (1)	De Beers Dig.	Pasopon
CINEMAS (3)		

FOREIGN BONDS (51)	Life Savings	UTILITIES (18)
CANADIANS (24)	Calcutta Tramways	
PAWES (6)		MINES (28)
BUILDINGS (155)	Union Carb.	New Broken Hill
CHEMICALS (32)	Anglo-Am. Inv.	North As. Gulf
CINEMAS (10)	Dr. Acem. Dis.	Reclat
DRAPERY AND STORES (101)	Gr. Bondier	Bombay Tin
ARTICLES		
ENGINEERING (159)		
FOODS (8)		
NOTES (21)		
INDUSTRIALS (42)		
INSURANCE		
MACHINE TOOLS (11)		
MOTORS (1)		
NEWSPAPERS (7)		
PAPER, PRINTING (2)		
PROPERTY		
SHIPPING (1)		
SHOES (2)		
TEXTILES (21)		
TOBACCO (2)		
TUNES (10)		
TEAS (2)		
NINES (1)		

ACTIVE STOCKS

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomina- tion of marks	No. Closing price	Change on day	1971 high	1970 low	
Sarelays Bank ..	£1	23	390	- 10	692	127
EMI ..	50p	22	131	- 24	189	128
Bank Orient. A ..	25p	23	843	- 27	960	667
Tube Investments ..	£1	20	173	- 430	450	304
CAST ..	25p	19	220	- 87	279	87
Select ..	£84.10	19	70	- 21	94	36
Natl. Westminster ..	£1	18	380	+ 5	590	239
Midland Bank ..	£1	16	330	- 18	550	246
Courtauld ..	25p	15	119	- 4	174	107
Johns Heen ..	£1	13	113	- 11	424	274
Imp. Chem. Inds. ..	£1	15	408	- 20	515	274
GEC ..	25p	14	146	- 3	152	90
Beecham ..	25p	13	339	- 4	346	28
Roche ..	25p	13	98	+ 2	109	85
Baker McConnell ..	25p	13	98	+ 2	109	85

The above list of active stocks is based on the number of shares recorded yesterday on the NYSE list and includes:

163 (1) (c) and reproduced to-day in Stock Exchange Dealings.

The above list of active stocks is based on the number of bargains closed yesterday on the Stock Exchange and under the 1963 (1) (c) and reproduced to-day in the Official Exchange Dealings.

REGIONAL MARKETS

Profit-taking gave markets an easier appearance yesterday.

Bank of Ireland eased 3p to 110p on the Irish Exchange.

London Irish Distillers lost 5p to 110p.

Guinness eased 1p to 165p.

As did Jefferson Smurfit to 105p.

Cannock declined 10p to 110p.

Coldchankin Paper slipped 1 1/2p to 52 1/2p while Allied Gas at 97p.

Britain Group at 17p, Hammond (285p) and Tynghal Carports at 21 1/2p each.

Silvermines at 21p.

Cement Roadstone at 50p.

and Gouding at 48 1/2p each lost.

John Peters advanced 10 1/2p.

But Grattan Warehouse were reduced by 7 1/2p to 200p.

Profit-taking, while Empire Steel was up 1 1/2p to 518 1/2p.

Allied Colnids were reduced 10p to 150p.

Yorkshire Dye lost 2p to 81p.

Farnell Electro were 7p stronger at 204 1/2p.

Waddington "B" advanced 6p to 186 1/2p.

And their figures, and Samson Kayser also gained 6p to 154 1/2p.

As did Jones Waddell to 151p.

Allied Textiles were down 4 1/2p.

Adams and Gibbon put on 2 56p. as did Carliol Investn

On the Midlands and Western

Glen Abbey put on 2p to 55p and Ryans Tourist Holdings were 1p better at 25p.

On the Midlands and Western SE British Dredging at 78p, EBS at 76p, Briton at 50p and Ubel at 36p. 15p, while the DRG at 145p and Leamards at 14p were each lowered 1p. G. W. Sparrow were lifted 7p to 1212p and Bowyers (Wiltshire) moved further ahead by 2p to 166p.

Mounts Dry Docks rose 2½p to 21p, while Overcote Cement at 145p and John Williams were each 2p firmer. John Land were up 1p to 39p. Smith's Enterprises dropped 10p to 127½p, while Birchwood at 107½p, British Dredging at 78p and Fertilman at 25½p were each 2p easier. Delyn Adams and Gibbon put on 2 50p, as did Carolot Investments. To 190p, but Stanley M shed 2p to 21½p.

Cromer Steam Mills were sorted at 55p, whilst Era were mentioned around 15p. Peel mills around 11½p. S group marked at 86½p, as John Bright at 31½p and Era George at 40½p. Barr and Wat were 10p better at 11½p, as were Humfray at 66½p. Metals at 75p, Readicut at Trident TV "A" at 54p. United Newspapers at 248p.

Dary Ashmore were up 2p 55p, as were William C (steel) at 50p, but W. Financials lost 1p to 21p.

On the Scottish SE, Bank Scotland recovered 5p to 4½p, while Hill added 1p at 38½p, u

Deritend Stamping at 206p and
Exide at 132p were each up

better, while Fordhams Holdings were raised 2½p to 37½p. Ductile

[illegible]

Cloud Tkn Pr...	52 1/2	11 1/2	Wyke (Leic) Op	28	Sayer Coni 12 1/2 p	42 1/2
Goodbody £1...	5 1/2	1 1/2			Swan Ln Sp 3 1/2 p	16
Cloud Tkn Pr...	48 1/2	1 1/2			Swan Ln Sp 3 1/2 p	16

Heaton (Hedges)	65	NORTHERN EXCHANGE	Track (W) Imp	26 1/2
Irish Distillers	110	-5		Utd. Cattle & P	310

Cloud the Fr.	12½	13½	Wynne (Leic) Op	26	Sweetwood 12½	42
Goodybody 12					Swan Lambp 3½	16
Goostling	40				Taron 2nd 30	80
Grass (Leic) 12					Treace (W) 1st	100
Irish Diddle	54				Udd 1st 30	510
Irish Diddle	110	5	NORTHERN EXCHANGE			
Irish Wye 1st	72½		Alamy 1st 20½	29	Wend 2nd 12	25
Irish Wye 2nd	48		Ala Symmum	54	Woods 2nd 12	4
Irish Wye 3rd	1	1½	Belgrave 1st 10	15	Woods spin 2½	15
Irish Wye 4th	53		Bibb 1st 20	35		
Irish Wye 5th	50		Bor 1st 10	15		
Irish Wye 6th	26		Bor 2nd 10	15	SCOTTISH EXCHANGE	
Irish Wye 7th	26		Brady 1st 10	92		
Irish Wye 8th	26		Brady 2nd 10	92	Atkin 1st 10	110
Irish Wye 9th	26		Brady 3rd 10	92	Briggs (W) 30	60
Irish Wye 10th	26		Brady 4th 10	92	Clyde Paper	51
Irish Wye 11th	26		Brady 5th 10	92	Clyde Paper	51
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Irish Wye 16th	26		Brady 10th 10	92	Clyde Paper	51
Irish Wye 17th	26		Brady 11th 10	92	Clyde Paper	51
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Irish Wye 186th	26		Brady 180th 10	92	Clyde Paper	51
Irish Wye 187th						

To day's Events

10-day S Events

To-day's Events

PARLIAMENTARY BUSINESS:
 House of Commons: Second day of a four-day debate on the Common Market Bill. Mr. Butler, moving the Second Reading of the Bill. The House will then discuss the Prevention of Oil Pollution Bill (Lord) and the Tribunals and Inquiries Bill (Mr. Butler).
 House of Lords: Pool Competitions Bill third reading; Licensing (Abolition of the Public House) Bill second reading; Housing Bill, second reading; Immigration Bill, committee; Lord Garsington's Bill, second reading. The House will then discuss the Bill which has agreed development plans to accommodate overspill from the Greater London area.

COMPANY MEETINGS
MANAGAMENTAL POWER ENGINEERING, Bedford, 12. (Chairman, Mr. R. F. Cawffyn, Eastbourne, 4. (Chairman, Mr. S. N. Cawffyn.)

FINANCE AND DEVELOPMENT
 FINANCE 1, Union Court, E.C. 11, 12.

JEAVONS (S. E.), Tipton, 12. (Chairman, Mr. T. S. Ruscrope.)
M. K. ELECTRIC, Walscher, Mr. E. C. 12. (Chairman, Mr. F. D. O'Connell.)

MANARELL, Chesham, 2.20. (Chairman, Mr. B. S. Barlow.)

METAL BOX, Dorchester, 10.00. (Chairman, Mr. A. V. Padoa.)

MOORE (W.) AND OSBORNE, Eunc 12. (Chairman, Mr. A. Faulk.)

MOUNT CHARLOTTE INVESTMENT, 12. (Chairman, Mr. S. C. Williams.)

PHILLIPS PATENTS, Manchester, (Chairman, Mr. G. Hargrave.)

PREFRITS HOLDING AND INVESTMENT, Bedford, 12. (Chairman, Mr. D. Hewitt.)

ST. GEORGE RUBBER, 11. By Sir, E.C. 11.20. (Chairman, Mr. R. Adams.)

CHAIRMAN, Sir George Bolton.)
COPS SPORTSWEAR, Leeds, 11. (Chair-
man, Mr. S. Cope.)

DAVIS (GODFREY), Crown House, N.W.,
12, (Chairman, Mr. C. A. Redfern.)
DUMPLEX INDUSTRIES, South-western,
12, (Chairman, Mr. J. D. Hornum.)
SMITH AND WELLSTOOD, Edinbu
12, (Chairman, Mr. B. A. W. Gale)

(Chairman, Sir George Bolton.)
COPS SPORTSWEAR, Leeds, 11. (Chairman, Mr. S. Cope.)
DAVIS (GODFREY), Crown House, N.W. 12. (Chairman, Mr. G. A. Redfern.)
DUNN, J. & SONS, Southampton, 12.30. (Chairman, Mr. E. J. Wade.)
JONES (PETER), Connaught Rooms, W.C. 12.15. (Chairman, Mr. W. B. R. Newer.)
NEWER (GEORGE), 85, Stamford Hill, N. 12.30. (Chairman, Mr. H. O. Ewell.)
ROBERTS, T. & SONS, Sale, Cheshire, E.C. 12.30. (Chairman, Mr. S. Borne.)
FALKLAND ISLANDS, Connaught Rooms, W.C. 11.30. (Chairman, Mr. M. K. Waldron.)

SEALED MOTOR CONSTRUCTION, T. 10.12. (Chairman, Mr. F. Presbrey.)
SENA SUGAR, Connaught Rooms, 12.20. (Chairman, Mr. J. D. H. Rother Smith and WELLSTON, Edinburg. (Chairman, Mr. S. W. Caine.)
TANJONG TIN DREDGING, 6, Lothian, E.C. 2.30. (Chairman, Mr. R. Chappard.)
Vaux, Waldon Hotel, W.C. 12. (Chairman, Mr. M. Alvinge.)
WHEATSEAF DISTRIBUTION
NEW, Broadwater Road, W.C. (Chairman, Mr. J. R. W. Pumphrey.)
YORKSHIRE DYEWORK and CHEMICAL, Leeds, 12. (Chairman, Sir David Kaberry.)

SHOP DELIVERIES CONCERN

Concern at the effect on shop deliveries of the proposed ban on stationary vehicles within 30

NEW SHIPPING SERVICE FOR U.K.—DENMARK

wards of urban road junctions and the exit side of pedestrian cross-
A new shipping service between the U.K. and Denmark has b

ings has been expressed to the Department of the Environment by the Freight Transport Association, announced by Mr. Derek John, general sales manager of Syst

The association claims the measures, linked with existing restrictions, would reduce the space available for vehicle parking to an unworkable amount. It has asked for an early meeting with the department to discuss the proposals.

[illegible]

For Notes, see Stock Exchange Dealings

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Index fell 4.5 to 404.4

Finance for Expansion

dalton barton
Dalton Barton & Company Limited
Hyde Park House, 60 Knightsbridge
London SW1, 01-235 8864

Lombard

Gold—the forecasts they want to forget

BY C. GORDON TETHER

THE TIME has come, I feel, for some ceremonial eating of words by the bullion market and other pundits who were so recently declaring last year that the unenviable of the Special Drawing Rights system for creating additional international liquidity had combined with other factors to render gold a "dead issue"—with the private demand destined to fall off to such an extent that henceforward the great bulk of the new metal flowing from the mines would have to rely on official buying at the \$35 per ounce parity for a market.

From the start, the "dead issue" displayed such a marked disinclination to lie down that, three months after the "open market price had fallen back into line with the official figure at the end of 1969, it was breaking loose again. And it has never once returned in the 16 months that have elapsed since then. On the contrary, the cap has tended to get wider and wider.

Figures speak

Thus in recent weeks the price has risen well clear of the \$40 or ounce level, meaning that it has now covered most of the gap from the parity to the peak price for the early-1968 gold rush phase.

As for the forecast that producers would be much more dependent in future for an outlet on the willingness of the central banks to absorb metal into official stocks, the figures speak for themselves. The net increase in official reserves over the whole of 1970 was limited to around \$200m.—that is, a mere seventh of the Free World's production—the great bulk of the \$600m. odd which South Africa passed on to the distribution among its members under the new arrangements devised in December 1969 having been drawn from her own reserves.

In excess

Since the beginning of 1971, actually no gold at all has been forthcoming for addition to official stocks. With the free market readily absorbing pretty well the whole of output at "premium" prices, South Africa has had less than \$100m. available for sale to the Fund at the parity figure, and a sizeable part of that was the product of a further run down in her own official reserves.

The evidence provided by these figures that the private demand for gold is tending to outstrip the supply is impressive enough by itself. It appears very much more so when account is taken of the effect the pundits' "dormant" 1970 predictions must have had in encouraging the liquidation of the remains of the speculative overhang created in the 1968 gold rush. Even if it is accepted that they produced an unleashing on the market of more than a few hundred million dollars' worth of metal, it is evident that the private office of gold for industry, the arts of low-term hoarding purposes, and the private demand over the next 18 months materially in excess of new production.

Implications

The implications of the post-war story for the gold price have hardly been understood. It is, of course, conceivable that, with unrest over the dollar building up again, the surge in the private demand in recent months has been in some measure accounted for by revival of short-term speculation. But this was certainly not the case previously, the demand having been that the price of SDR's paper-cold metal had not paid to hopes of a change in the official price many years to come. What this means is that there is some little doubt that the central market probes have not over-estimated the extent to which private absorption of gold is encouraged by the fact that in real terms the metal is only a third of what it did before World War II—has panned in an enduring sense, in which it follows that total gold starvation is almost certain to go on getting worse as the dollar parity is held down to the manifestly unrealistic figure of \$35. That is worrying enough in itself. What makes it more so is that the bigger the devaluation of the dollar in terms of gold indicated by the free market premium, the more anxious central banks are likely to become about the existing relationship between the gold and dollar elements in their

THE LEX COLUMN

Credibility, and contested bids

A fall of 7.6 points at 2.45 narrowing to 4.5 points at the close leaves the 30 Share Index down just 8.7 points at 404.4 over the past two days: the All-Share is within a whisker of Monday's level. There can be no complaints about that performance, considering first that EMI and the horrid Capitol figures are responsible for 3½ points of the drop, and secondly, the profits that were there to be taken with no discouragement from the jobbers. In the first six days of the account, after all, there were rises of around a tenth and upwards in machine tools, motors, banks, and some of the big engineers like Tubes, GKN and Vickers. Whatever the speculative element here, the market is showing plenty of resilience at the moment.

As for gilts, Monday's statement puts the longer term fears into a clearer focus. Yet for the short term, it is arguable that the influences behind the strength of recent weeks—like the amount of money in the system and the Government broker's apparent willingness to

keep interest rates down—have only been fuelled by the latest news: with the current low volume levels, volatility may be no surprise.

Funny money

The takeover game is renowned for its production of "novel" ideas (thank Trafalgar House for that adjective), perhaps because providers of corporate finance take what they want while takeover victims, sometimes, have to take what they can get. One of the more curious ideas this week came from the Rowntree camp. This suggested that its new 8 per cent convertible, part of the Bovril Package, would stand at 104 with the Rowntree Ordinary at 510p, and 112 with the shares at 520p.

In the first place, it seems odd that an equity rise of under 2 per cent, is expected to lift the convertible by nearly 8 per cent. Convertible valuations can be an arbitrary affair, but for what it is worth a non-aligned observer reckoned last night

that it would take 15p on the share price to add 2½ points to the loan stock. Secondly, there is the implied assumption that Rowntree's profit forecast of around £7.35m. pre-tax against £6.44m. would lift the share price by 20p from the pre-bid 500p; it might have been better to make the forecast first and then see what the share price did, since higher profits were widely expected from Rowntree this year due to the lower cocoa costs, and consumer acceptance of higher prices following devaluation.

In other words, it is no good simply telling the market what it has to believe. Maybe a Grand Met, with a convertible already in the market at a premium, can afford to stand on its laurels; but in most contested bid situations, underwriting is the key to credibility. It is not so long ago, after all, that a trio of illustrious names was telling Bowmaker shareholders (in February, 1969) that Bowring's bid convertible was worth £105 per cent. The stock opened the

following month at £90, hit £85 later in the year; and the fact that it is now £120 can be no comfort to any ex-Bowmaker shareholders who sold out at the bottom. This is in no way a suggestion that a Rowntree convertible would be a similar flop; with an 8 per cent coupon that is highly unlikely; but if Cavenham does decide to come back, any arguments about the relative quality of the bids should be settled, quite simply, by backing them up with cash.

Discount Houses

Although discount house shares tended to falter towards the end of June, and sentiment was not helped by Union Discount's view that the then unpublished new deal for the discount market would put the squeeze on profits, prices have picked up since then. There are, at any rate, no undue shocks in the Bank of England's proposals which are presumably a preliminary to formal agreement with the market. The continuing role of the discount

houses is confirmed, and the suggestion that public sector debt should account for at least half of assets is hardly onerous in present conditions. Yet it is clear that the market is heading into a much more competitive period; in fact, conditions have already changed sharply with a cut in the margin on five bank bills, against Bank rate, from 1½ to around half a point within the past two months.

Elsewhere, the prospect of local authority bonds counting as part of the statutory public sector debt has pushed yields down considerably—by nearly half a point—since the Green Paper was produced. The overall impression is that volume could rise sharply, but at much lower margins than the market has been enjoying over the past couple of years. And while the houses may view the proposed changes with equanimity while they are amassing profits in gilts it is possible to visualise conditions—in an ailing fixed interest market, for example—when the 50 per cent rule could start

to bite, while the whole question of competing with the banks for deposits remains an open one.

FNFC

The subsidiaries of Spey Finance fit neatly into First National Finance, given the emphasis on property-angled lending with an element of hire purchase. After adjustments FNFC reckons it is buying historic earnings of about £0.5m. after tax, making a p/e of 17 against FNFC's 23 or more. So the deal stands up in financial terms, adding 11 per cent to the equity for a 14 per cent earnings gain. It also serves to add a string of sizeable institutional shareholders—ICI Pension Fund, Royal Insurance, etc.—of the type FNFC has been courting ever since it was re-buffed by the City establishment at the time of the tussle for Bowmaker. The question is whether this expansion is in the right direction at a time when the clearing banks are flush with funds.

Basis for Malta agreement not in sight—Carrington

BY J. D. F. JONES, FOREIGN EDITOR

VALLETTA, July 21.



Lord Carrington at Heathrow on his return from Malta yesterday.

THE FULL gravity of the crisis between the British and Malta Governments was revealed by Lord Carrington here this morning when he said he was returning to London "much concerned about the differences in our two positions." The Defence Secretary added, in an airport statement concluding his two days' talks, "in my view the basis of any new agreement is not in sight."

Lord Carrington said he was expecting to see Mr. Heath later and it is likely that he will report to the Cabinet tomorrow. There will then have to be consultations with Britain's NATO allies, and in the meantime contact will be maintained with the Malta Government through the British High Commissioner in Valletta.

Exasperation

At the end of their visit, the British team were hardly bothering to conceal their exasperation with the way Mr. Dom Mintoff, the Maltese Prime Minister, is demanding as rental for the British bases on the island a figure far higher than anything London would consider remotely reasonable.

Mr. Mintoff's precise terms have not been revealed but are known to be considerably higher than £15m.; under the 1964 Defence and Financial Agreements, Malta has been receiving £5m. a year for the facilities enjoyed by British troops and thus by NATO.

The position now is that Lord Carrington, having discovered that Mr. Mintoff's terms are beyond the scope of what he considers serious negotiation, has preferred to withdraw immediately to London.

Mr. Mintoff's bluff has therefore been well and truly called—but what remains to be seen in these next days is whether Mr. Mintoff has in fact been bluffing or whether he will refuse to discuss a lower price even at the cost of severe economic and political embarrassment for Malta.

Later to-day observers could note the first signs that the

Maltese may be beginning to realise the implications of a breakdown of negotiations. Lord Carrington underlined this when he said in his statement: "These defence facilities are not indispensable, and if the basis for a new agreement is not found and cannot be found, we would not want to stay against the Malta Government's wishes."

Team leaves

The gravity of the situation was also emphasised by the fact that the entire British team has now left including the Minister of State, Lord Balmie, who some Maltese had thought might stay on while Lord Carrington referred the Mintoff proposals to the Cabinet in London.

The conclusion the Maltese have to draw is that although the Defence Secretary said he will be reporting to the Cabinet and consulting with NATO allies and would be in communication with the Malta Government, the

British are now prepared to let Mr. Mintoff work out, in his own time, whether or not he is ready for the rupture of the traditional and immensely close Anglo-Maltese relationship.

It is not yet known whether or when Mr. Mintoff will make any statement. He has always been unpredictable in these things but presumably will not wait to consider his position for too long in view of the urgency with which he has tackled this matter in the five weeks since he came to power.

Our Foreign Staff adds: Lord Carrington's forthrightness on leaving Malta and after arriving at London Airport left Whitehall almost without words last night. Officials declined to elaborate on what he had said at his two Press conferences, suggesting it would be wiser to wait and see what would follow his report to the Cabinet.

They gave the impression, however, that the ball was now in Mr. Mintoff's court. The indication was that if the dialogue is to be resumed, then the decision to resume should await the Cabinet's approval. Lord Carrington said at Heathrow he "did not know" whether Mr. Mintoff wanted to come to London. It was up to him.

Both losers

At London Airport Lord Carrington emphasised that "if the British pulled out of Malta, both sides would be the losers—and Malta's loss would be the bigger."

He underlined again that Britain would not stay if its presence was not wanted. He said he could indeed foresee circumstances in which British troops would be withdrawn, adding: "Facilities can be provided elsewhere, but we would like to have an agreement with Malta."

He refused to be drawn on Mr. Mintoff's reported demands for at least £15m. a year from Britain for the use of the island's facilities by its troops, and his refusal was echoed in Whitehall where the suggestion was that it would be premature to discuss figures at this stage.

Mortgage demand still ahead of cash inflow

By Sandy McLachlan

BUILDING societies are still facing a demand for mortgage funds which outstrips the money available. This was asserted by Mr. Stanley Morton, chairman of the Building Societies Association, at the Association's half-yearly Press conference yesterday.

Mr. Morton repeated the warning of other building society leaders that a cut in the mortgage rate was not currently under consideration. "There is an encouraging inflow of funds which is matched by a heavy demand for mortgages," he said. "Under present conditions it is probable that a downward adjustment of rates would lessen the inflow and lead to fewer home loans being available."

The rejection of a lower interest rate structure comes in spite of the fact that building society liquidity is high, at an average of 17.7 per cent, and that net receipts of the movement during the first six months of the year were an all-time record of £645m. Mr. Morton estimated that lending for the full year would be in the region of £2,500m.—more than £500m. more than in 1970.

This estimate is based on a projected net inflow figure of £1,700m. for the year, and with what Mr. Morton described as "customary optimism," the BSA hopes that the eventual figure for net receipts may be in excess of this.

Certainly the movement has broken all records so far this year. In spite of an increase in the average mortgage from £3,540 to £3,990, the number of home loans completed in the first six months was 298,000 against 244,000 in the first half of last year. If the £2,500m. lending estimate is achieved it will mean something like 600,000 mortgages granted during the full year.

In the six months to June the assets of the building society movement increased at an annual rate of 16 per cent. At the end of June the total assets figure stood at £11,717m.

FNFC acquiring Spey Finance

BY NICHOLAS LESLIE

IN an £51m. cash and shares deal, First National Finance Corporation is to acquire Spey Finance, the banking and finance subsidiary set up by Spey Investments in April. This represents a radical change of heart by Spey Investments, the private investment, finance and industrial group founded four years ago by Mr. Charles Gordon.

For FNFC, the acquisition means an expansion of its banking activities, centred on Cassel Arenz and its hire purchase offshoot, Financings, through Spey Finance's three subsidiaries. These are Twentieth Century Banking Corporation, Goulston Finance Holdings and Graham Finance.

The offer

FNFC's offer is for the £5m. of share and £2m. of subordinated loan capital of Spey Finance. At the same time, it will take on £41m. of borrowings with which Spey Finance purchased Goulston from Town and Commercial Properties in May.

Spey Investments has wasted no time in deciding to off-load its finance subsidiary. According to Mr. Philip Ralph, a managing director, a complete reappraisal of the group's activities followed Mr. Gordon's departure at the beginning of July as a result of a policy disagreement.

It was decided, with the full backing of Spey Investments' institutional shareholders, that the company should revert to its original policy of industrial investment. At the same time, FNFC made an approach for Spey Finance and its three subsidiaries and as this fell in with Spey Investments' plans, a deal was negotiated.

Following the deal, Spey Investments will have as its major assets £2m. of industrial investments, a half-stake in National Car Parks and its ven-

ture capital subsidiary, Warwick Securities. In addition, it has a 35 per cent holding in Spey Westmoreland Properties, but discussions are under way to sell this interest to Westmoreland Investments.

In consideration for Spey Finance, FNFC will pay £1m. in cash and the balance by the issue of 2.72m. Ordinary shares, last night standing up at 330p.

New Board

Spey Investments will sell the major part of its FNFC shares to its institutional shareholders, which are Electricity Superannuation Schemes, ICI Pension Fund, Barclays Bank Pension Fund, Royal Insurance Company and Fund Holdings. The remaining 500,000 or so shares will be sold to investment clients of N. M. Rothschild, including Rothschild Investment Trust.

On completion of the deal, the name of Spey Finance will be changed and its directors will resign, with nominees of FNFC subsequently being appointed. Spey Finance's directors include Sir Paul Chambers, who is also chairman, and Lord Chalfont, the former Labour Minister, who is chief executive. They are also both directors of Spey Investments.

See Men and Matters Page 18

TEXTURED JERSEY PLANS FOURTH FACTORY

Textured Jersey yesterday announced plans for opening a fourth factory in the Leicester area—they already have one at Anstey and two at Wigston. The new project, to be operational early next year, will create about 200 new jobs over 18 months. It will include a dyeing section—a new venture for the company.

New discount market rules set out

BY MICHAEL BLANDEN

NEW rules for the discount market under the Bank of England's new credit control policy were set out yesterday. They include the requirement that the companies which make up the market should keep a minimum of 50 per cent of their funds in public sector debt.

The proposals for the discount houses were sent out confidentially at the same time as the Bank presented its paper on "Competition in the Credit Control" to the banks in mid-May. Publication of its details is being taken as a sign that agreement on the new form of controls is close.

The terms of the proposals are in line with the basic idea of the main paper, to "devise arrangements which would allow members of the market freedom

to compete." The 50 per cent rule is designed to enable the Bank to keep control over credit extended by the discount market. The ratio has been fixed in line with the average recent practice of the market, and is accepted as reasonable although some of the houses point out that it might be difficult to observe at times, for example, when gilt-edged stocks are unattractive to them.

The other major aspect of the arrangement is that the discount houses' agreement to cover the weekly Treasury bill tender will remain in force in one form or another. The bank has told the Discount Market Association that it wants to keep its present form of operation in the money market.

And it has made the continued covering of the tender a condition of the continuing provision exclusively to the discount houses of the last resort lending facilities which are vital to their operation in their present form.

Competition

It is thought, however, that there may be some increase in competition. The agreement on the Treasury bill tender, for example, need not continue to take the form of the present syndicated arrangement under which all the houses agree a fixed bid each week and take a share of the bills received, but could include an element of competition for bills.

There are question marks still, moreover, over the agreements

between the discount houses and the clearing banks. These include the arrangements under which the banks do not bid for Treasury bills at the tender in their own right, or buy "hot" bills less than a week after issue, while the discount houses do not compete for non-bank deposits. The future of these agreements is being discussed and depends partly on clearing bank decisions. The logic of their abandonment of their collective agreements on interest rates among themselves may be that the discount market agreements will also be at least tempered, to produce heightened competition in the money market. The Bank has also pointed out that when it gives tender of last resort facilities it will require the houses to provide part of the collateral, up to a minimum proportion to be agreed, in the form of Treasury bills.

At the same time, it has asked the houses to "police" the operations of the banks, which might be tempted to "window-dress" their accounts at their monthly make-up day by switching their assets on a short-term basis to maintain their required ratio of approved reserve assets. The discount houses have each been asked to give a firm undertaking that they would not wittingly engage in such transactions.

Premium

The discount houses regard the proposals as acceptable, though it is thought that the increased competition for funds and assets may reduce the margins they earn. At the same time, it is recognised, as the Bank points out, that the new reserve ratio demanded of the banks is likely to put a premium on the discount market's services, and they should as a result have the opportunity to do more business.

Continued from Page 1

Wilson acts to dampen row

seek to exploit the Labour Party's difficulties, although it could not resist numerous quotations from Mr. Wilson when he was at 10, Downing Street, to demonstrate what a dedicated European he was in those days.

Mr. Wilson's controlled tirade on Tuesday against the "manoeuvres" of Mr. Jenkins' supporters and against the L's threats of retaliation seems to have steadied the party. Some of the Jenkinsites are slightly shaken—each protesting his innocence—and the Left-wingers say they have put their knives away "for the time being."

But many Labour MPs are still puzzled by Mr. Wilson's hint that

plots were being made against him. They are also still trying to plumb his Delphic words about the leadership and his apparent threat that he might not stand for re-election if the factional warfare in the party continued.

"A paper tiger" was how one MP described this last night that Mr. Wilson should stop listening to the "zossip and little tattles" which some of his aides bring back from the Commons tea room.

Trade union MPs tend to approve of Mr. Wilson's attack on the young Jenkinsites, whom they regard as "Hamstead intellectual elitists." But even so, many of them regret the last few stormy days. They fear

that great damage has already been done to the party in the country, by both Mr. Wilson and Mr. Jenkins, and that the picture of a party trying to tear itself apart will infuriate party workers in the constituencies.

Mr. David Steele, the Liberal Whip said last night that Mr. Wilson's public image was being wrecked by his "circus performance" over the entry terms. This performance of Mr. Wilson and some of his colleagues had further diminished politics, especially in the eyes of the younger generation.

The decision which Parliament is about to take is of more importance to young people and to our children than it is to our present day rulers," he added.

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Weather

U.K. TO-DAY

SCOTLAND, N. Ireland and N. England: Rather cool, some showers, sunny spells. Wales, Midlands, S. England: Rather cloudy with some rain. Sunny intervals especially in S.E. England at first. Temperatures mostly below seasonal normal.

London, S.E. England, E. Anglia: Mostly dry with sunny spells becoming more cloudy with outbreaks of rain. Wind light variable. Temps. near normal. Max. 21C (70F).

Cent. S.W. England, Channel Isles, Wales: Cloudy with some rain. Bright intervals. Wind S.E. light or moderate. Temps. below normal. Max. 19C (66F).

E. England, E. Midlands: Cloudy with bright intervals. Rain later. Wind light variable becoming mainly N.E. Temp. below normal. Max. 19C (66F).

N.W. England, Isle of Man, S.W. Scotland, N. Ireland: Cloudy with some rain. Sunny spells and showers later. Wind light variable becoming mainly N.E. Rather cool. Max. 17C (63F).

Cent. N., N.E. England, E. Scotland: Cloudy. Showers and perhaps longer outbreaks of rain. Wind N.E. light or moderate. Rather cool. Max. 17C (63F).

Rest of Scotland: Sunny intervals. Isolated showers. Wind N.E. light or moderate. Rather cool. Max. 15C (59F).

OUTLOOK: Changeable with rain. Bright intervals, especially in N. and W. Temp. mostly near normal. Rather cool in N.

BUSINESS CENTRES

	Mid-day		Mid-day		
Amsterdam	R 16	61	Manchester	C 27	69
Bahia	S 26	87	Melbourne	C 24	75
Bombay	S 29	84	Mexico C	C 24	75
Buenos Aires	S 23	82	Montreal	C 24	75
Calcutta	S 23	73	New York	F 23	73
Canton	S 23	82	Osaka	F 23	73
Cebu	S 23	82	Paris	F 23	73
Colon	S 23	82	Rangoon	F 23	73
Hankow	S 23	82	Shanghai	F 23	73
Harbin	S 23	82	Singapore	F 23	73
Hong Kong	S 23	82	Tokyo	F 23	73
Kobe	S 23	82	Yokohama	F 23	73
London	S 23	82			
Lyons	S 23	82			
Madrid	S 23	82			

HOLIDAY RESORTS

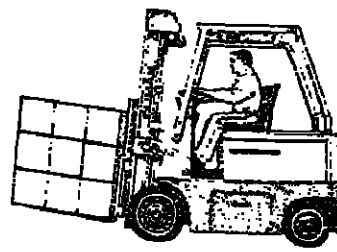
	Yday			Yday	
	Mid-day			Mid-day	
Algeria	C 23	79	Jersey	C 23	79
Azores	S 23	84	Las Palmas	F 23	73
Bahia	S 23	84	Locarno	F 23	73
Bombay	S 23	84	Lisbon	F 23	73
Buenos Aires	S 23	84	Madrid	S 26	78
Calcutta	S 23	84	Manila	S 26	78
Canton	S 23	84	Medan	S 26	78
Cebu	S 23	84	Port of Spain	S 26	78
Colon	S 23	84	Rangoon	S 26	78
Hankow	S 23	84	Shanghai	S 26	78
Harbin	S 23	84	Singapore	S 26	78
Hong Kong	S 23	84	Tokyo	S 26	78
Kobe	S 23	84	Yokohama	S 26	78
London	S 23	84			
Lyons	S 23	84			
Madrid	S 23	84			
Manila	S 23	84			
Medan	S 23	84			
Port of Spain	S 23	84			
Rangoon	S 23	84			
Shanghai	S 23	84			
Singapore	S 23	84			
Tokyo	S 23	84			
Yokohama	S 23	84			

Police const. 46 (low). Forecast: similar.

—Astoria Research Centre.

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